

THE INDEPENDENT

Nº 3,344

WEDNESDAY 9 JULY 1997

WEATHER: Long sunny spells

(R45p) 40p

IN THE TABLOID
**TRIALS OF A
12-YEAR-OLD
MOTHER**

IN THE TABLOID
**BRIDGET JONES:
CAMPAIGN FOR
SOUND SEX**

NEWS PAGE 3
COMMENT PAGE 15
**TV SERIAL
KILLERS**

INSIDE THE TABLOID
City+ WITH
40 PAGES
OF OFFICE, LEGAL AND
BANKING APPOINTMENTS

Europe to end farms madness

Exclusive

Katherine Butler
Brussels

Cheaper food and less intensive farming are likely to follow the most radical reform ever of European agriculture policy, according to a Brussels plan which has been seen by *The Independent*.

Farmers will be paid direct income support, rather than the cumbersome and hugely expensive system of artificially high prices and subsidies that has been used for 35 years – the much-derided Common Agricultural Policy (CAP).

Brussels will next week propose that guaranteed prices for farmers, the cornerstone of the £30bn-a-year CAP, should be slashed by up to 30 per cent for the main crops and commodities in the initial phase of the plan, which could ultimately return agriculture to the free market.

A leaked draft of the proposals, to be published next Wednesday as a key plank of "Agenda 2000" – the package of measures to prepare the EU for expansion into eastern Europe – calls for price-cuts to farmers of 20 per cent for grain, 10 per cent for milk and 30 per cent for beef.

Prices in the shops should come down for beef, bread, milk and cheese if the proposals are implemented. Consumer groups complain that the CAP in its present form adds at least £20 a week to the weekly food bill for a family of four.

Price cuts will start to take effect from 2000, with some

sectors, such as grain, taking an immediate hit, but the steeper beef price cut being phased over two years.

The document assesses reforms implemented in 1992, but warns that the spectre of food mountains is looming once again, and that subsidised exports will not be an option in the future because of world trade rules. Cereal yields are forecast to rise from 201m tons in 1996 to 214m by 2005, implying an inevitable return to unwanted grain stockpiles.

The reform, as outlined in the document, involves a huge shift from indirect price support to direct income aid, channelled principally to the smallest poorest farmers in outlying regions. Its rationale is to avert a return to the days of beef and grain mountains and milk and wine lakes by forcing the big cereal producers and cattle ranchers – for whom guaranteed prices are the biggest incentive to overproduce – to compete at world prices.

The document says: "The Commission considers it indispensable to proceed with further reforms of the CAP... Improved competitiveness will benefit consumers and leave more room for price differentiation in favour of high quality or typical products".

The proposals speak of the need to "deepen and extend the 1992 reform through further shifts from price support to direct payments and developing a coherent rural strategy to accompany this process".

Compensation for cutting guaranteed prices is built into the reform, but there will be

ceilings for the biggest farms, in a bid to end the present anomaly where so-called grain barons, in East Anglia or the Paris basin for example, receive cheques for millions of pounds from Brussels each year.

Savings from the scrapping of open-ended "intervention" – the system, whereby Brussels takes surplus food into cold storage to drive up prices – will be directed into a range of new "cheque in the post" payments to farmers based on the numbers of animals they own, to prevent an exodus from the land. As a result of the new payments, it is estimated that spending on agriculture will rise by around £3.5bn a year, according to the draft proposals.

To be eligible for assistance, farmers will have to adopt more environment-friendly production methods and agree to stock fewer animals per field.

"It will be a move back to supporting traditional extensive farming and away from the intensive fattening-sheds approach which the CAP encouraged in the past but which consumers have rebelled against," said one senior EU official.

In what will be seen as the erosion of one of the founding principles of the common farm policy, individual governments will be allowed to "top up" compensation out of national budgets.

Britain will back the plan, given Labour's stated hostility to a policy which, under the influence of powerful farm lobbies in France and Germany, has been designed above all else to shield farmers.

Love isn't easy, with a name like Mandela

Emma Daly



President Nelson Mandela and his partner Graca Machel in London yesterday

Photograph: Tom Pilsten

Nelson Mandela must sometimes wince at the esteem in which he is held. The aura of greatness cloaking the South African President is so strong that his plan for a brief romantic holiday in Britain was abandoned in favour of an official four-day trip.

So it was that Mr Mandela, 79, cheerful, relaxed and holding hands with his companion, Graca Machel, 61, arrived in London yesterday to confront the media en masse. Attention focused mostly on his intentions towards his beloved, widow of the Mozambican president. Would they marry? "Those are questions one doesn't answer in public," he replied.

His immediate intention had been to visit Britain as Mrs Machel's partner: the couple are due in Colchester tomorrow, where Mrs Machel, an expert on children's rights, is to pick up an honorary degree from the University of Essex. But, as a spokeswoman for the South African High Commission said: "With the name 'Mandela' you have a bit of a problem just going as a companion."

By popular request and with warm memories of Mr Mandela's successful state visit last summer, this visit was upgraded by the two governments. Mr Mandela and Mrs Machel took tea with the Queen at Buckingham Palace yesterday and meet the Prince of Wales on Friday at a dinner given by the Oxford Centre for Islamic Studies. The President will meet Tony Blair tomorrow.

Bowing to the inevitable, the President has given one interview to the BBC – but he used the slot to publicise the Nelson Mandela Children's Fund, a charity set up with a third of the presidential salary to help the young and deprived.

He has lived with political sainthood for some time; the dark side of such an image is the excess invested in one, mortal, man. Too many fear South Africa in a world without Mandela. Which is why he told the BBC that Vice-President Thabo Mbeki "is the *de facto* ruler of South Africa".

And at least today Mr Mandela and his love are free to do as they please. It does not happen often. Mr Mandela jokes about the requests he receives for meetings, at home and abroad, saying he must make up for the time lost during his 27 years in prison.

But at last – following his divorce from Winnie Mandela, disgraced for her part in the murder of a teenage boy but still venerated in the townships – the President seems to have found real happiness with Mrs Machel.

The couple, coy about their relationship in the past, are now happy to be seen in public and in love. Mrs Machel, who has worked for Unicef with Rwandan children horribly damaged by the massacres there in 1994, seems the perfect consort for the President.

No political leader alive can match Mr Mandela, which explains the excitement on the Colchester campus, for example, about tomorrow's ceremony.

"It's strange," said Richard Lister, of the University of Essex. "I mean, do you expect one of the great figures of the 20th century to drop in on you at work?"

Killer was a robber, says Josie

Jason Bennetto
Crime Correspondent

Josie Russell, the nine-year-old girl left for dead in a brutal attack in which her mother and six-year-old sister were murdered, has revealed that the attacker was trying to rob the family.

Josie, who survived despite being hit 16 times with a hammer, has told detectives for the first time how the killer demanded money from them as the walked home from school in Kent. She said the man stopped her car in front of them, took a hammer from the back seat and said: "Give me your money," it was revealed at a news conference yesterday.

Josie, now 10, ran when the man confronted her mother, Lin 45, and sister, Megan 11, as they walked through woods to their home in Chilenden, near Canterbury, a year ago today.

Mrs Russell said she had no money, but could return to the family's cottage to get some, but her assailant repeated the demand.

Mrs Russell shouted at Josie to run away, but the attacker chased her and dragged her back to a small glade where he tied the three up with strips of

swimming towel belonging to Josie and blindfolded Mrs Russell. He then asked Josie: "Are they too tight?"

Detective Chief Inspector Dave Stevens, leading the inquiry, said: "This new information throws up a lot of questions. Was this a robbery that went wrong? Was this a petty criminal who saw the family walking along the lane and seized the opportunity to steal? Or was this some bizarre deranged fantasy that became a reality that day?"

He added: "I'm keeping back some of the details of the attack, but I thank God that Josie did not see her mother being attacked. She did not see her sister being attacked, or the family dog, Lucy, which had been tied to a tree."

Mr Stevens added that the inquiry had been helped by a new DNA sampling technique that gave a profile from a dead hair believed to be from the killer. Previously only live cells could be used. The new method is not as accurate but will allow the police to compare DNA samples with suspects. A list of 100 has been drawn up and will be tested during the next few weeks.

Dr Shaun Russell, who moved to north Wales with his



Josie Russell photographed, for an edition of the BBC programme Crimewatch UK, exactly a year after the attack

daughter six months after the murders, spoke of his joy at seeing Josie make her recovery. He said: "During these last months as I've seen her progress and play with her friends and her ponies, it has given me cause to carry on."

He added: "My aim is to look to the future. We do talk about my late wife and my late daughter and Josie becomes very se-

rious and thoughtful, but she doesn't like to be sad. She prefers to be a normal, happy, little 10-year-old girl, playing with her friends and doing her schoolwork."

Josie has now fully regained her powers of speech, although she does face further surgery to her head sustained in the 15-minute attack.

Homeowners braced for new rate rise

Diane Coyle
Economics Editor

Home-owners face the prospect later this week of the third increase in the cost of their mortgages in as many months.

The Bank of England is set to raise interest rates tomorrow after figures showed inflation above the Government target. Banks and building societies are certain to do the same. A quarter point increase in mortgage rates would add about £10 a month to the cost of a typical £50,000 home loan.

The mortgage increases that have taken place so far since the election have already cost the typical borrower £20 a month. The Chancellor, Gordon Brown, also announced in last week's Budget that he would scale back mortgage interest tax relief from next April.

The prospect of a further rise in interest rates also sent the pound higher on the foreign exchange and prompted warnings that British industry's export prospects will be damaged.

Disappointing figures showing that underlying inflation rose above the Government's target last month lay behind the interest rate warnings. It picked up to 2.7 per cent in June.

The immediate culprit was a jump in the price of vegetables, especially tomatoes and cauliflowers due to the bad weather. But economists said the pace of consumer demand has made it all but certain the Bank of England will raise interest rates. Most commentators expect a quarter point increase in base rates to 6.75 per cent to be announced tomorrow.

The silver lining in last month's storm clouds is that foreign holidays will be cheaper this summer. The prospect of an interest rate rise meant a pound climbed above the psychological 10-franc barrier yesterday.

This latest gain in the value of sterling on the foreign exchange, which has amounted to 25 per cent during the past year, led to warnings that British industry will pay a high price in reduced exports, output and jobs. One City expert predicted the pound would soon climb to its highest level for a decade.

Former Chancellor Kenneth Clarke warned that by allowing the pound to climb Mr Brown risked damaging industry. "He is doing damage to manufacturing, to exporting, and to jobs that depend on that part of the economy," he said.

Shares tumble, page 16

Would you like to be immortal?

Tough.

Guard against disappointment by insuring your life and ensuring your family's future. £50,000 of cover could cost you less than £10 a month.*

Virgin direct
personal financial service

0345 95 95 95

Open seven days a week from 8am to 10pm

*Male non-smokers age 35 next birthday, 10 year period of cover, costs from £6.78.

Virgin Direct Personal Financial Service Ltd is regulated by the Personal Investment Authority. For your security, all calls to Virgin Direct will be recorded and randomly monitored.



BA threat over strike
On the eve of the most serious industrial conflict in recent history, British Airways registered its determination to break a strike by locking out cabin crew if they refused to cross picket lines.

THE BROADSHEET
Business & City...16-20
Comment...13-15
Foreign News...8-10
Gazette...12
Home News...2-7
Law Report...12

Leading articles...13
Obituaries...12
Shares...6.7
Sport...21-24
THE TABLOID
Arts reviews...15
Bridget Jones...3

Fashion...6.9
Feature...6.7
Games...18
Listings...16.7
Radio & TV...19.20
Theatre...4.5
Weather...18

Read *The Independent* on the World Wide Web
<http://www.independent.co.uk>

news

significant shorts

Care homes for the elderly come under scrutiny

An investigation was launched yesterday into whether elderly people are getting a fair deal in care homes. John Bridgeman, Director-General at the Office of Fair Trading, said there was enormous "potential for detriment" among those going into care homes. But, he said, despite more than 150 reports into the sector, worth £5bn a year, nobody had looked at care-home issues from the consumer's point of view.

An estimated 500,000 pensioners live in nursing and residential homes across Britain, and the number is expected to rise by 25,000 over the next five years. The study Mr Bridgeman launched yesterday will focus on whether residents are given contracts setting out terms and conditions when they enter homes, and what mechanisms are in place to enable them to complain once they are in. Residents in Britain's 17,000 care homes, private and public, are being asked to write to the Office of Fair Trading with their experiences. Mr Bridgeman said the inquiry could find there was no cause for concern, but, he added, elderly people were often reluctant to complain and it was vital that their interests were safeguarded. The review is expected to finish next spring.

No police prosecution in CS death

No police officers are to be prosecuted over the death in custody of a man who was squirted in the face with CS spray while his hands were cuffed behind his back.

Ghanaian-born Ibrahim Sey, 29, was sprayed with the incapacitant, which causes breathing difficulties and streaming of the eyes and nose, during a struggle at Ilford police station, east London, after being arrested over a domestic fracas in March last year. It is understood that at least five officers were attempting to restrain the 18-stone Mr Sey on the station forecourt. The use of the spray on a handcuffed man provoked an outcry, but the Crown Prosecution Service said in a statement that there was insufficient evidence to provide a realistic prospect of conviction. It added that it would review its decision in the event of evidence emerging at the inquest on Mr Sey, in September. A post-mortem examination showed that Mr Sey collapsed after a period of exertion and was suffering from hypertensive heart disease. **Patricia Wynn Davies**

Dame Kiri strikes a different note



Dame Kiri Te Kanawa, the soprano, struck a note of discord when she donned a beige trouser suit to collect an honorary Cambridge University degree from the Duke of Edinburgh yesterday.

Women graduates normally wear a black skirt and black shoes at Cambridge graduation ceremonies. But the 53-year-old New Zealander bucked the trend by choosing the trousers and matching shoes to collect her Doctor of Music degree. A university spokeswoman, however, said the rules were more relaxed when honorary degrees were presented. Dame Kiri was awarded her degree for services to music.

Government keeps union promise

The Government yesterday delivered one of its key promises to the Trade Union movement when it revoked the requirement that employees have to re-authorise the deduction of union subscriptions from their pay every three years. The repeal of the "check-off" legislation will be completed next year, after which union members will only have to sign up to the arrangement once. **Barrie Clement**

Officer charged with wife's murder

Royal Protection Squad officer Michael Coulton was yesterday charged with the murder of his wife Patricia, found stabbed to death at a nursing home in Sunningdale, Berkshire, in January. Thames Valley police said, PC Coulton, 52, will appear before Bracknell Forest magistrates today, a police spokesman said. Mrs Coulton was found in her car in the grounds of Lynwood Nursing Home, where she had worked as a care assistant for eight years.

Police look into poll 'vote-rigging'

Detectives are looking into allegations of general-election vote-rigging in a seat where a Tory MP was ousted by just two votes, it was confirmed last night. Gerald Malone, the former health minister, lost his Winchester seat by the wafer-thin margin to Liberal Democrat Mark Oaten after two recounts. A spokesman for Hampshire police confirmed that the force was "investigating alleged irregularities". Mr Malone said last night: "I was aware there were two potential cases of impersonation. Beyond that I know nothing."

Orwell's home: coming up for sale

The country cottage where George Orwell wrote many of his best known works is up for sale at £195,000. The three-bedroom cottage in Wallington, near Baldock, Hertfordshire, was home to Orwell, author of *Animal Farm* and *1984*, from 1936 to 1940, after he returned wounded from the Spanish Civil War.

THE INDEPENDENT ABROAD

Austria	£5.00	France	£6.00
Belgium	£5.00	Germany	£4.50
Canada	£5.00	Italy	£4.50
Czech Rep.	£5.00	Japan	£5.00
Denmark	£5.00	Norway	£5.00
Finland	£5.00	Poland	£5.00
France	£5.00	Spain	£5.00
Germany	£4.50	Sweden	£5.00
Greece	£5.00	Switzerland	£5.00
Ireland	£5.00	USA	£3.00

OVERSEAS SUBSCRIPTIONS
 Air mail, 13 weeks: Europe £10.70; Zone 1 (Australia, East Africa, Africa and India) £14.00; Zone 2 (Far East and Australasia) £20.70. To order, please send cheque payable to John News International Media Services Ltd to 43 Market Street, London E14 9RT or telephone 0771-538 8288. Credit cards welcome.

BACK ISSUES
 Back issues of the Independent are available from: Historic Newspapers, telephone 01988 840370.

people

After Diana, Janet decides it's time for a clear-out

It is a brave woman who follows the trend started by Diana, Princess of Wales in publicly clearing out her overstuffed wardrobe. Few could have imagined that the next contender in this particularly masochistic style challenge would be Yout TV guru Janet Street-Porter.

Like Diana, the broadcasting queen and former head of Live TV has chosen auction house Christie's to dispose of 65 dresses and suits. They will be sold in South Kensington, as part of its Street Style sales.

Like Diana, Ms Street-Porter's outfits include many high-fashion designer creations, including those by Zandra Rhodes. It is unlikely, however, that Princess Diana shares Ms Street-Porter's fondness for flamboyant designs by Vivienne Westwood, Ossie Clark and Jean Paul Gaultier.

Like Princess Diana, who declined to place her wedding dress under the auctioneer's gavel, Ms Street-Porter will disappoint potential purchasers hoping for any of her four nuptial frocks.

She also stands to raise a tidy sum from the sale. But whereas the Princess raised more than £2m, current estimates for Ms Street-Porter's collection are running at around £7,000.

Unlike Diana, Ms Street-Porter's collection will not be sold for charity. A spokesman for Christie's last night stressed: "She's a client and she's selling along with everything else in the sale. She's not selling for charity." She had the Janet Street-Porter collection anything. It's just that she wishes to remain anonymous.

Ms Street-Porter has always been far from anonymous. She is famous for, among other things, her eye-catching style. A long-time friend of Zandra Rhodes, she met the designer when she had been wearing the same clothes and silver jewellery for years. "She looked like a daisy," Rhodes said. "I was the only person there - she had the Janet Street-Porter collection anything. It's just that she wishes to remain anonymous."

Schoolchildren fly home after coach tragedy

Children and adults who survived the French coach crash which killed three teenagers were due back in Britain last night.

As the accident once more focused attention on the question of safety on school trips, those passed fit for travel by doctors flew back to Manchester airport.

Their school, St James's High in Bolton, Lancashire, has closed for the rest of the week, and other pupils now abroad are returning home early. A planned visit today to EuroDisney was cancelled.

Bunches of flowers bedecked the gates yesterday (above). Among the sympathy messages, one read simply: "To all my friends, you will always be in my mind."

Nicola Moore, 16, was killed instantly when the coach left the road near Notre-Dame du Pré on Monday morning and plunged 60 feet down a ravine.

Robert Boardman, 14, died on the operating table that afternoon and his best friend, Keith Riddington, also 14, became the third victim of the tragedy early yesterday. Other



for, among other things, her eye-catching style. A long-time friend of Zandra Rhodes, she met the designer when she had been wearing the same clothes and silver jewellery for years. "She looked like a daisy," Rhodes said. "I was the only person there - she had the Janet Street-Porter collection anything. It's just that she wishes to remain anonymous."



ers in the group of 16 British pupils and seven adults suffered mainly cuts and bruises.

Some were thrown from the coach, which was understood not to have had seatbelts.

David Bowes, the headmaster, said the school policy was to use vehicles that had seatbelts, as is required by law in Britain.

But the hired British coach broke down at the weekend and was replaced with a French one, driven by the same British driver, Jim Shaw.

Mr Shaw, 43, was interviewed in hospital by detectives yesterday. Louise Jury and Agnes Séverin

Galliano marks corset's return

When Christian Dior launched his couture house in 1947, many applauded the New Look for heralding a return to full skirts and generous use of fabric after the austere war years. But women also attacked the couturier for returning them to the uncomfortable confines of corsetry.

Nothing changes. John Galliano's collection for Dior yesterday returned to that era with clothes that would look stunning in a museum, but offered little in the way of modern comfort. In the heat of the afternoon, models were close to passing out backstage and many could barely walk in their long fishtail skirts.

The Brits in Paris certainly know how to create an atmosphere and generate headline news. But at Galliano, there was nothing to wear if you were not willing to be laced up into an hourglass corset. It is ironic that both Galliano and McQueen, who are in competition to see which can outdo the other, do not look to dress modern-day women, but strive instead to dress whimsical characters of a bygone age.

Tamsin Blanchard, Paris

briefing

WHITEHALL

HMSO accounts showed lack of proper procedure

The National Audit Office yesterday highlighted a lack of financial control over the accounts of Her Majesty's Stationery Office prior to its privatisation last year, and qualified the figures because of poor procedure.

HMSO was sold in September, but prior to that it had been divided up into 14 business units. While the units were responsible for their own invoicing, payments were made to HMSO's central bank account, and therefore it was difficult to reconcile payments with invoices. As a result, £1.6m is being held in a temporary account because it has not been matched to particular debtors.

The Comptroller General, Sir John Bourn, also qualified the accounts because of "an unresolved net imbalance of £482,000" on trading between HMSO's business units. He said: "There was no effective system of control over the accounting of for these inter-business transactions."

The terms of the sale, which raised £54m, are the subject of a separate NAO inquiry. The NAO points out that a number of outstanding claims against HMSO were transferred to the Cabinet Office before the sale went through, including one for £3.7m by Siba Systems Ltd, over an alleged breach of public procurement rules, but this was subsequently dropped. **Christian Wolmar**

PRISONS

Britain near top of penal league

Britain puts more of its population behind bars than almost any other country in Western Europe, according to a report published today. Only Spain and Portugal had a higher proportion of people in prison, the survey by the Prison Reform Trust found.

And within Britain, Scotland had the greatest proportion in jail, with 110 people for every 100,000 of the population serving a prison term.

That was followed by Northern Ireland, with 106 per 100,000 in prison, and England and Wales with 99.

Those figures, from 1995, compare with 122 per 100,000 in Spain and 119 in Portugal.

At the other end of the scale, Switzerland has just 58 per 100,000 in jail, with Ireland, Norway, Finland and Greece all on 60.

However, Britain has a long way to go before it catches up with the US, with 615 per 100,000 behind bars, or Russia with 690.

Prison Reform Trust director Stephen Shaw said: "The number of people behind bars is one European league table this country has no need to top."

TRAVEL

Airline complaints at record high

Airline passengers made a record number of complaints last year, the Air Transport Users Council said yesterday. Not surprisingly, delays were the prime grievance in 1996-97, and total complaints have now risen threefold in 10 years.

Complaints about baggage-handling and in-flight service were prominent in the 1,000-plus complaints, of which nearly 60 per cent were against foreign airlines and the remainder against UK carriers.

"The scope for air traffic control improvements in the short term has been largely exhausted and, with continuing strong traffic growth, delays seem set to increase," said the council's chairman Ian Hamer.

He added that he hoped the regular publication by the Council of airline delay performance tables - the first of which came out in April 1997 - would mean carriers would "address their problems".

SOCIETY

Cosmetic surgery a no-no for men

They might consider it acceptable for themselves, but women think cosmetic surgery for men is a big turn-off, according to a new survey. *XL for Men* magazine found that while 40 per cent of all inquiries to cosmetic clinics now come from men, 84 per cent of women respondents said they would be "put off" if they found a man had been surgically enhanced.

Asked which part of their partner's body they would change, the biggest response was for his stomach (38 per cent) followed by his chin, his chest, his buttocks and his eyes. Only 4 per cent referred to genitalia.

The magazine concluded: "The last thing a woman wants to worry about in the heat of passion is her other half's torso melting or exploding all over the nice clean duvet. When it comes to men's bodies, like diamonds, women don't like fakes." **Jojo Moyes**

Read
THE INDEPENDENT
 online every day at
 Call 0800 376 5376
 for FREE software, quote Independent

NEWSPAPERS SUPPORT RECYCLING
 Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996

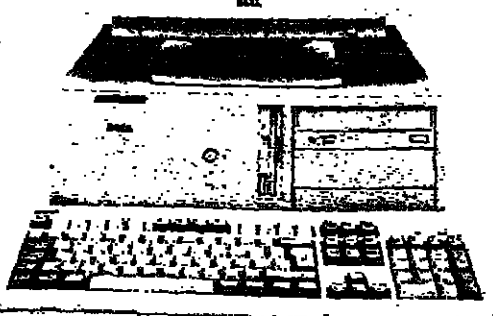
Upsized bundle. Downsized price.

DELL DIMENSION™ XPS M166s

- INTEL PENTIUM™ PROCESSOR WITH MMX™ TECHNOLOGY 166MHZ
- 32MB HIGH PERFORMANCE SDRAM
- 512KB PIPELINE BURST CACHE
- 2.1GB HARD DRIVE
- NEW STB NITRO 3D GX 64-BIT PCI GRAPHICS CARD WITH 4MB EDO VIDEO MEMORY
- 15" COLOUR SVGA MONITOR (13.75" VIEWABLE AREA)
- 3 PCI, 2 ISA AND 1 PCI/ISA SHARED EXPANSION SLOTS
- 12/16X CD-ROM DRIVE
- INTEGRATED 16-BIT SOUND (SPEAKERS OPTIONAL)
- MID-SIZED DESKTOP CHASSIS
- MICROSOFT OFFICE 97 SMALL BUSINESS EDITION

£999 (£1,203.20)
 incl. delivery & VAT

£50 DOWN



The Dell Dimension™ XPS M166s now gives you even more.

Upgraded features include: 32Mb High Performance SDRAM and

pentium™ STB Nitro 3D GX 62-Bit Graphics Card with 4Mb EDO video memory.

And we've shrunk the price by £50. Trust

the world's largest direct PC manufacturer™

to come up with the right-sized, right-

priced bundle. Set your browser to

www.dell.com/uk or call us now.

DELL

GET ONLINE TO THE NUMBER ONE

0870 1524669

BETWEEN 9AM AND 5PM WEEKDAYS, 10AM TO 4PM SAT

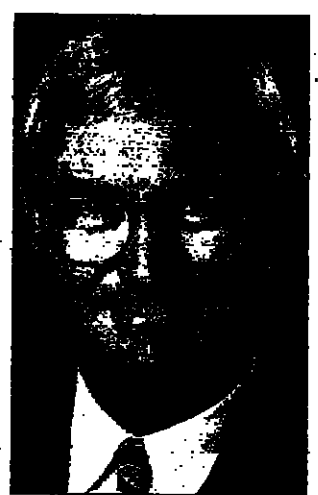
To order online: www.dell.com/uk

Dell and the Dell logo are registered trademarks and Dell Dimension is a trademark of Dell Computer Corporation. The Intel Inside logo and Pentium are registered trademarks and MMX is a trademark of Intel Corporation. Microsoft and Windows are registered trademarks and Office 97 is a trademark of the Microsoft Corporation. Delivery at £25 (CPN 37) incl. VAT per system. Financing is available subject to status. Full details available on request. Prices correct at date of publication. The photographed product may not always match the specifications in this advert. Please contact your local Dell representative for more information. Prices change frequently. All prices and specifications are subject to change without prior notice or obligation. Offer supplied with Windows 95. Dell mouse and keyboard included. Dell Products c/o Milbank House, Western Road, Bracknell, Berkshire RG12 1ED. Offer available for a limited period only.

سكنا من الامم

Serial killers stalk TV land

Birt says BBC's flagship dramas are costly failure



The BBC has taken the unusual step of criticising two of its own flagship dramas – as “expensive failures” and “disappointing” – in its annual report to Parliament.

John Birt, the director general of the BBC, picked out for particular criticism the £10m nine-hour dramatisation of the life of Cecil Rhodes. He also pinpointed the equally expensive costume drama adaptation of the Joseph Conrad novel *Nostromo* as a failure.

“Just when it was tempting to forecast a new dawn for our drama, along came *Nostromo* and *Rhodes*,” he said. “We do need to improve our consistency.”

Both series saw their ratings dive after the first episode, despite big names such as Martin Shaw in *Rhodes*, and Colin Firth, star of *Pride and Prejudice*, in *Nostromo*.

The failures are particularly pointed because the repeat of *Pride and Prejudice*, shown last Sunday, proved a success by drawing 6 million viewers. BBC bosses anticipate even better ratings for this coming Sunday's episode featuring the famous scene with Firth as Mr Darcy in wet breeches.

Confidence in BBC drama output was not helped by the fact that, for a year, the corporation could not find anyone to head up the department. Last month it appointed Colin Adams, BBC Northern broadcasting head, to look after drama. Will Wyatt, chief executive of BBC Broadcast, said the self-criticism was about honesty: “It is about owning up when we fail. It doesn't mean we have abandoned the right to fail.”

Mr Birt also indicated that he was unhappy with the programmes targeted at a mass au-

diences on BBC1. “BBC2 continues to innovate,” he said, “with *The Fast Show* and *Shooting Stars*, the comedy hit of the year. However... we still need fresher mainstream entertainment for our early evening audiences.”

In addition to entertainment and drama, Mr Birt confirmed there would be a wide-ranging review of the network's news programmes to ensure they were communicating with young people.

Sir Christopher Bland, the BBC chairman, went out of his way to deny that the corporation was “betting the farm” on commercial operations and digital television when he revealed the BBC now spends 9 per cent, or around £175m, of its revenue on digital ventures every year.

The corporation is in year one of a 10-year plan to convert to digital broadcasting, but Sir Christopher said that the corporation needed constantly to remind itself why it was getting involved in digital television and commercial partnerships with other broadcasters.

“We have a core purpose,” he said, “and despite the changes of digital television it is, and will remain, to be a public service broadcaster.”

Mr Birt said that “multi-skilling” programme-makers would deliver efficiency savings of 20 per cent over the next five years.

He said journalists will be able to create a television programme on their own, using a hi-tech desktop editing system. It will give all programme-makers access to all BBC sound and film archives via a “digital motorway” – christened the Electronic News Production System (ENPS).



Telefacts: BBC director general John Birt has criticised the channel's flagship drama *Nostromo* (above) as an “expensive failure” while Channel 4's new chief, Michael Jackson, has ensured that programmes such as *The Girlie Show*, which was co-presented by Sara Cox (left), will not be recommissioned. Both channels are in the process of overhauling their drama output. Photographs: BBC/Channel 4

Reports by Paul McCann



Jackson plans US-style shake-up for C4 writers

A thorough shake-up of the drama output of Channel 4 is being planned by Michael Jackson, the new head of the station.

Mr Jackson is at present trying to tempt Tony Garnett, the producer behind BBC hits such as *This Life* and *Between the Lines* to create long-running hits for his new channel.

This is a departure from Channel 4's past habit of commissioning short-run dramas from big-name writers such as Alan Bleasdale, who created *GBH* and *Jake's Progress* for the channel. Although Bleasdale is expected to continue his association with Channel 4, Mr Jackson also wants teams of writers to work on projects so they can produce longer runs as is done in the US and by Mr Garnett.

Mr Jackson is believed to want to apply the American-style “creative factory” technique of multiple-writers to comedies. “The thing about *ER* and *Friends* is that they may be produced on a factory system,” a Channel 4 insider says, “but they are very high quality. *This Life* is produced like that but it is still a very British programme.”

Mr Jackson, who commissioned *This Life* when he was head of BBC2, is known to believe that the jerky filmed drama about the sex lives of twentysomething lawyers is the most innovative programme on television.

Mr Jackson's plans led to the departure of Channel 4's long-standing drama head Peter Angrave this week. He was the fifth senior commissioning editor to leave the channel since Mr Jackson's appointment was announced in May.

However, soap fans can relax. Mr Jackson has commissioned a further three years of *Brook-*

side, one of the channel's most popular programmes.

Mr Jackson has publicly registered his antipathy to Channel 4 entertainment programmes such as *The Girlie Show* which is not expected to be re-commissioned. *Eurotrash*, notwithstanding endorsement from Mr Jackson, is also expected to end its run.

David Stevenson, the editor for entertainment and youth programmes who commissioned *The Girlie Show* left the channel just before Mr Jackson arrived.

Mr Jackson is also known to want to tighten up the channel's scheduling and is believed to be under pressure from the channel's advertising sales staff to reschedule some of its documentary strands, such as *Despatches* and *Cutting Edge*, out of peak viewing times.

However the channel uses the fact that seven out of its top 20 ratings programmes last year were documentaries to prove that it is sticking to its minority programming remit.

The format of Channel 4's heavyweight evening news programme will also be reviewed, but sources at the channel expect David Lloyd, the man in charge of programmes such as *Despatches* and the news to stay in his job despite speculation that Mr Jackson wants to clear out all of the channel's long-standing commissioning editors.

When Channel 4 started, its broadcasting commissioning editors were given only two-year contracts in order to keep them fresh, but now most of the channel's editors have been there since the late Eighties.

“They will be carrying them out in bodybags,” said one departing editor.

To see or not to see? Audience gets poor view of the Bard

David Lister
Arts News Editor

The Royal Shakespeare Company has made the astonishing admission that one third of its main house audience in Stratford-upon-Avon is getting a “remote and unsatisfactory” experience of Shakespeare.

An unpublished study by the company of the facilities at the Royal Shakespeare Theatre says: “In the balcony, for example, where almost one third of the audience sits, poor acoustics and sightlines make the experience of seeing and hear-

ing Shakespeare remote and unsatisfactory.”

The RSC undertook the study to pave the way for a lottery application to redevelop its theatres in Stratford-upon-Avon. It will be one of the most significant provincial lottery applications yet, and will involve the Royal Shakespeare Theatre closing for several months when rebuilding work begins.

But for the moment, and at the start of the tourist season, the company has admitted that one in three ticket buyers will have an unsatisfactory experience. More than 500

people sit in the balcony, paying up to £14 for seats where acoustics and sightlines are poor.

RSC spokesman Ian Rowley said yesterday that thousands of young people every year still became hooked on Shakespeare from visiting the RSC at Stratford. But he also said there was a huge file of complaints from members of the audience about the balcony, and a separate file one and a half inches thick with complaints about the ladies' loos, or lack of them. “The queues... are legendary,” he said.

On the question of the balcony, he

said the seating was of a bench variety and the whole structure was illogically designed, “far too distant from the stage for the presentation of drama.” He added: “You go up dark, dingy steps from a separate entrance to get there... this is the space where school parties and young people have their first experience of Shakespeare.”

Adrian Noble, artistic director of the RSC, said: “It is a very undemocratic space. Going to the balcony is like living through a cultural apartheid.”

It is not the RSC's only problem

in Stratford. The study, carried out by the company and outside consultants, also concluded that dressing rooms are cramped, stage machinery is outdated and the deteriorating condition of working areas means they are perilously close to breaking health and safety regulations.

A lottery application will be submitted this summer for a redevelopment, which will include adapting the auditorium of the theatre, new public spaces, restaurants, larger foyers and more lavatories, as well as a new stage and backstage facilities.



Obstructed view: The RSC Theatre in Stratford-upon-Avon

How many Premium Bond prizes is ERNIE paying out now?

Hassan Razi, Luton.

“Believe it or not, Mr Razi, the number of prizes this month has increased to 439,875 - worth an amazing £33 million!

All the prizes are completely tax-free, including the £1 million monthly jackpot. And don't forget, whether you win or lose, with Premium Bonds you can get your money back whenever you want.

To buy now, send us the coupon in Your Money along with your cheque, making sure they reach us by 31 July if you want your Premium Bonds to be in the September prize draw. Or for a full guide to Premium Bonds freecall

0500 500 000
24 hours a day, 7 days a week.”

NATIONAL SAVINGS
Investment Ideas

Unique Investment Opportunities from HM Treasury

THE INDEPENDENT

showed procedure

penal league

ts at record high

every no-no for men

INDEPENDENT

NEWSPAPERS SUPPORT RECYCLING

0 1524669

www.dell.com.uk

news

BA slashes Heathrow flights

Three quarters of international services axed as cabin crews begin strike

Randeep Ramesh
and Barrie Clement

British Airways has cancelled three-quarters of its international flights and all domestic flights from Heathrow today, with those passengers who are able to get on flights likely to face long delays as the airline's cabin crews walk out on a three-day strike.

At Gatwick, two-thirds of BA's intercontinental flights will be grounded. The airline, will, however, keep all domestic and European flights in its Gatwick schedule. International flights to and from Birmingham, Manchester, Edinburgh and Glasgow will be unaffected.

On the eve of the most serious industrial conflict in the company's recent history, BA showed its determination to break the strike by threatening to lock out the cabin crews if they refused to agree not to go on strike again when they report for work on Saturday.

The airline's hard-line strategy could lead to further disruption to flights in and out of Heathrow and Gatwick after the three-day stoppage ends at 11pm on Saturday.

Stewards and stewardesses have been ordered to ring a special number to pledge their readiness to work normally. If they refuse to give a personal no-strike guarantee or fail to make their intentions known, they will be suspended without pay until they do so.

Fresh talks aimed at a settlement continued last night, but there were no indications of an early agreement over an imposition of a pay and conditions package.

The company is not only relying on normal working by 1,000 non-trade unionists and 3,000 members of the breakaway union Cabin Crew 89, but many of the 9,000 members of the Transport and General Workers Union going to work. The company said that an increasing number of TGWU members had said they wanted to work.

BA's flights were disrupted yesterday after nearly a quarter of the 1,500 cabin crew rostered for duty reported sick. The company, which cancelled 14 Heathrow flights, said the high absence rate was an indication that stewards and stewardesses



Grounded: British Airways cabin crew at Heathrow yesterday. Staff have been ordered to pledge their readiness to work normally Photograph: Kalpesh Lathiga

did not want to take part in the strike.

Union officials argued that the sickness rate was overwhelmingly caused by stress following management intimidation. The company has warned that apart from suspension or even dismissal, strikers could lose concessionary travel, chances of early retirement and any prospect of promotion for three years.

Andy Webb, Chairman of the rival Cabin Crew 89, predicted that large numbers of TGWU members would cross picket lines. Mr Webb contended that the dispute was

simply another phase in that union's campaign to destroy his organisation.

George Ryde, chief transport union negotiator at BA, said there had been an enormous degree of intimidation by managers, but expected members to heed the strike call.

An airline spokesman said the company planned to protect strike breakers with security cordons around Heathrow hotels where working cabin crew will have the opportunity to stay free of charge. Pick-up points for special coaches

have been arranged and the company has offered to pay taxi fares of up to £75 to ensure that employees are able to get to work.

Pickets from the transport union are expected at all the main public access points to both Gatwick and Heathrow.

A decision on whether to press ahead with strikes by 9,000 BA ground staff involved in a separate dispute is expected before the end of the week. If that group decides to press ahead with planned 24-hour stoppages, the airline will face further disruption next week.

BA estimates that up to 40,000 passengers will have their plans disrupted today. Thousands of passengers due to fly back during the strike will be stranded unless their travel agents make alternative arrangements.

The airline said it would endeavour to find seats on rival carriers for passengers and, as a last resort, offer refunds.

New York's Kennedy airport, a crucial hub for BA's transatlantic routes, may also be affected. The US Machinists' Union, which represents engineers, baggage han-

dlers and reservations agents at the American airport, is backing the British workers. But the airline has made contingency plans to ensure that as many flights as possible will operate normally.

The union rejected company allegations that the cabin crew ballot on which the strike was based could be unlawful.

A TGWU spokesman said the vote had been conducted strictly within the law. A company source said it would not seek an injunction to stop action and conceded that it was strictly "stick waving".

English tests under scrutiny

Judith Judd
Education Editor

Government exam advisers have begun an investigation into why the proportion of 14-year-olds scoring high marks in national tests for English has dropped this year.

Their figures show that the number awarded the top two grades – levels seven and eight – is down by around two percentage points. There is no drop, however, in the percentage of top grades in maths and science, the two other subjects tested.

English teachers, who are sent the marked scripts, say the fall is the result of poor marking and are threatening to appeal against thousands of results. They claim weak students have scored more highly than they should and bright ones have done worse. The expected standard for a 14-year-old is between levels five and six.

But the School Curriculum and Assessment Authority points out that it has already checked the marking of thousands of scripts. Its officials say that only a minority of grades has been altered. It is confident that the markers have got it right.

Final results are due to go out to schools by next Monday and most pupils should get their grades by the end of term next week. However, they are likely to be delayed in schools which appeal.

The re-marking was carried out after the authority discovered that the numbers receiving the top grades had fallen.

Various reasons have been suggested for the fall. It may be that this year's papers were harder, though that did not show up in trials, or simply that this year's cohort is less able than last year's. Some teachers have blamed the use of a poem by Edward Storer as a comprehension exercise.

However, a spokeswoman for the authority said: "It is not as simple as saying that it is just the poem. There is no reason why a poem should penalise those children at the top end of the range. There is also a drop in children achieving higher grades in the other paper." The National Association for the Teaching of English says that it is receiving dozens of calls from teachers who are dissatisfied with the marking and who say that they will appeal against the results.

Anne Barnes, the association's general secretary, said: "Something has gone badly wrong. The results are clustered around level four and level five. If the Government is going to set targets based on these tests, this is very serious."

Two years ago English teachers complained about the marking of the tests and thousands of pupils' marks were changed.

Mowlam on defensive over Drumcree leak

David McKitterick
Ireland Correspondent

The Northern Ireland Secretary, Mo Mowlam, was put on the defensive yesterday against a strong wave of nationalist anger and suspicion over her handling of last weekend's contentious Drumcree march.

An internal Northern Ireland Office document, reported in yesterday's *Independent*, has been widely interpreted as indicating that a decision to let the Orange march through had, in essence, been taken as early as 20 June.

Last night, the Government announced that an inquiry would be held into the leak of the document. The accusation yesterday from nationalist sources – and from some Unionist elements – was that the Government had been less than frank in saying that no decision was taken until the evening before Sunday's march.

The most frequently quoted point in a day of allegations and angry recriminations was the document's statement that a consensus existed among Ms Mowlam, her deputy minister, the RUC's chief constable, the Army's commanding officer, and the chairman of the Parades Commission that "if there is no local accommodation a controlled parade on the Garvaghy Road is the least worst outcome".

A spokesman for the nationalist SDLP said: "Dr Mowlam's credibility problem was a mountain; now it is the Himalayas." Party leader John Hume, who yesterday met Ms Mowlam for an hour-long meeting, the tone of which was described as brusque, has asked to see the Prime Minister. Brendan McKenna, of the Garvaghy Road residents' association, said the document showed "total duplicity and deceit".

Ms Mowlam insisted in a series of interviews yesterday that no decision had been made at an early stage, arguing that the document was part of such a consensus. The document was written by the Northern Ireland Office's associate director of policing and security, and was



Soldiers survey burning debris after another night of violence in Ulster Photograph: Reuters

endorsed by its director of security policy.

When the section mentioning a consensus was put to her she said: "I agree that the sentence you've just read is difficult. I fully accept that, but if you read the paper in the whole you will see that we had not made up our minds."

Ms Mowlam continued:

'Labour are now crawling out of the sleaze pit themselves'

"There are parts of the document which I readily accept that look as if there had been a decision taken. There were numerous different documents from different civil servants with different options in. I haven't endorsed this statement, never endorsed the document."

Speaking of the nationalist reaction, she added: "I understand their anger, I understand their

frustration, I understand their distress and this doesn't help. I don't believe I betrayed anybody, but I've got a lot of trust and confidence to rebuild."

Mr Blair is expected to use Prime Minister's Question Time in the Commons today to reinforce his support for Ms Mowlam over her handling of the Drumcree march.

Downing Street officials said Mr Blair, who is due to fly back from the Nato summit in Madrid, had been kept in touch with events in Ulster, and "he wants to re-emphasise that Mo is doing an excellent job".

He discussed Northern Ireland during a 90-minute unscheduled session in Madrid with President Clinton, during which Mr Blair also expressed his gratitude for the President's support for the Government's handling of the crisis in Ulster. Sporadic violence continued yesterday in a number of republican areas, with a train set on fire in Newry, Co Down. Detailing the extent of recent disturbances, the RUC said that in four days there had been 776 attacks on the security forces, 1,444 petrol bombings and 363

bijackings. Some 60 police officers and 49 civilians were injured, with the security forces firing 2,400 plastic bullets.

Last night, the republican INLA said it had been involved in recent violence and threatened to escalate its campaign with attacks on loyalists if more Orange marches were allowed through nationalist areas.

ST. JOSEPH'S HOSPICE

MARE ST. LONDON E8 4SA
(Charity Reg. No. 231325)

Since 1965 we have shared the grief and eased the pain of countless suffering souls. Last year alone 900 found peace with the help of your vital gifts. Most of them died of cancer – but so severely that you would hardly know. Your concern is as encouraging as your generosity and we thank you for your inspiring trust.

Sister Superior.

The easy route to the Airport



LOW FARES ALL DAY
EVERY DAY, FOR EXAMPLE

Birmingham
to/from
Manchester
FLIGHTLINK
ONLY
£10.00
ADVANCE RETURN

Leeds
to/from
Heathrow
FLIGHTLINK / AIRLINK
ONLY
£35.00
ADULT RETURN

Cardiff
to/from
Gatwick
FLIGHTLINK / AIRLINK
ONLY
£31.00
ADULT RETURN

Bristol
to/from
Heathrow
FLIGHTLINK / AIRLINK
ONLY
£24.00
ADULT RETURN

Coventry
to/from
Gatwick
FLIGHTLINK / AIRLINK
ONLY
£25.50
ADULT RETURN

HUNDREDS MORE
CHOOSE FROM OVER
1,200 SCHEDULED DAILY
DESTINATIONS



National Express scheduled airport services, including Flightlink and Airlink Services, take you and your luggage direct to the heart of Britain's major airports. With over 2,000 agents nationwide, reserving a seat couldn't be easier.

See your local travel agent or for details of your nearest agent call

0990 010104

Lines open 8am-8pm 7 days a week. Not for timetable information.

NATIONALEXPRESS

Britain's Coach Network

Visit our interactive web site at <http://www.nationalexpress.co.uk>

FLIGHTLINK and AIRLINK are divisions of NATIONAL EXPRESS

Fares shown apply until 19/10/97. Advance fares subject to 7 days advance booking and subject to availability. Higher fares may apply Fridays (and Saturdays during July and August). Stewardess service only on Rapid Journeys. Check with agents for full terms and conditions.

JOURNEYS • CONVENIENT LOCAL PICK-UP POINTS • DISCOUNT COACHCARDS • HELPFUL FRIENDLY STAFF • COMFORTABLE

Tapwater getting smellier but cleaner

Nicholas Schoon
Environment Correspondent

Tapwater is becoming smellier, and more frequently discoloured and contaminated with bacteria because of drought and re-furbishment of the mains, the Government's Drinking Water Inspectorate said yesterday.

But in publishing its annual report covering England and Wales yesterday, the inspectorate said the overall picture was one of sustained improvement for most of the contaminants it monitors.

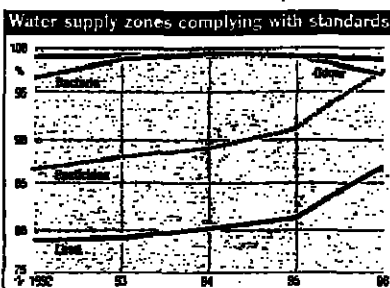
Shortages had forced the water companies to change the way they used their mains, tapping into new sources and pumping water in the opposite direction to its normal flow. This had stirred up sediments

which had lain still for decades, turning the water rusty brown.

Chief inspector Michael Rouse said there had been several instances when mains replacement work had been done carelessly, leading to discolouration and odour in the water supply.

The smell comes from algae and organic material dissolved in the water which microbes feed off, and the warm summer temperatures of recent years had helped bacteria flourish.

"It applies to almost all of the companies," Mr Rouse told a press conference in London. "In some cases it has just been careless operation of the system." He said he was urgently requesting the water companies to improve their working methods.



But while the number of failures in water samples tested for bacteria, turbidity (discolouration) and odour had risen in the past few years, Mr Rouse said there was no threat to public health because the stan-

dard for a pass was set so high. The number of test passes for lead, pesticides and nitrates had all risen steadily over the past five years, reflecting the improvements the water companies had been making to comply with the European Union's drinking water directive. So had the number of water supply zones where the standards were met.

Overall, only 0.3 per cent of the three million tests for tapwater quality carried out in 1996 failed to meet standards, compared with 1.5 per cent in 1992.

The tests are done by the water companies themselves, with the inspectorate auditing their testing procedures. The report reveals marked differences between the companies' performances.

North Surrey fared worst, with 1 per cent

of its 18,453 samples failing quality tests. The Cholderton and District Water Company, which serves just 2,500 people in two Wiltshire villages, registered a perfect performance, with not one failure among its 250 samples.

Of the big 10 water and sewerage companies, Thames, South West, Welsh and North West Water performed worst, with 0.5 per cent of their samples failing. Yorkshire, Wessex, Severn Trent and Northumbria did best, with a failure rate of just 0.2 per cent.

Mr Rouse pointed out that between 1990 and 1993 the inspectorate launched no prosecutions for the criminal offence of supplying water unfit for human consumption. Since then, however, it had concluded four prosecutions.

Friends of the Earth water campaigner Mike Childs said the annual report was far too optimistic about lead, because it used an outdated standard of a maximum concentration of 50 micrograms per litre of water.

The World Health Organisation now agreed on the need for a tougher standard of 10 micrograms per litre.

"The Drinking Water Inspectorate tells us 20 per cent of the population receive water with lead concentrations above that," Mr Rouse said.

"We need an open and honest debate with the Government and the water companies about how to tackle this issue. We know lead can damage the development of children at low concentrations."

The Archers they're not: the angry voice of the countryside heads to town

Clare Garner

Derek Cross polished off his pint and popped another tablet, his seventh pain-killer that morning. He is booked for a double hip replacement in the new year, but for Mr Cross, 52, a landscape gardener from the Cotswolds, preservation of the countryside is all he cares about.

Hunting comes first, his hips second. "I'm doing it for the love of my countryside. It means everything to me," he said.

"It's my body and if I wears them [his hips] out on this march then I wears them out," he commented his comrades. "Without these lads and lassies I wouldn't have done it," he said, calculating that when he reaches London tomorrow he will have clocked up 400 miles.

Not without the likes of David Brinkley, a pest controller, Henry Hudson, a plastics salesman, William Wakeham, master of the Eghington Hunt, Scotland, and Shaun Vickers, a factory worker. The 32 core marchers and hangers-on who joined them each day are a motley band. The T-shirts which for the past three weeks emerged like beacons from the brows of hills set out their grievance. Some say

"The voice of the countryside," others "Listen to us." The marchers were on their final leg yesterday and, as they neared the capital, the banner "This is real life, not the Archers" gathered poignance. As they strode up the hill, eyes on the pub where their morning's 12 miles of walking would be rewarded with a ploughman's lunch, they had a spring in their step.

Not only had they nearly arrived at the big day - the convergence of marchers and gathering of 80,000 supporters at Hyde Park tomorrow - but they were beginning to feel they were making an impact. The result of the previous night's phone-in after a Channel 5 television debate on hunting had yielded promise: of 34,000 callers, 62 per cent said they were against a ban.

Furthermore, the reception for the marchers had been overwhelmingly positive. "The majority of people smiled sweetly, gave you the thumbs-up or honk their horn as if to say 'Good on you lads,'" said Mr Brinkley. Some were converted along the way. Nathan Oldham, who works on a deerstalking estate in Scotland, said: "There was a girl calling us all sorts of



Rural ride: Right to Hunt marchers on the move south of Hitchin, Hertfordshire, yesterday. They are scheduled to reach London tomorrow

Photograph: Brian Harris

names ... Later on ... one of the lads spoke to her and talked her around. She thought we were all toffs, if you will, Hooley Henrys. She didn't realise that most of the people are working-class like myself."

Frederick Forsyth, the novelist, turned up in Bedford, Bedfordshire, yesterday. He does not hunt but opposes the bill initiated by Michael Foster, Labour MP for Worcester, proposing abolition of hunting with dogs.

Fox numbers had to be controlled, but the question was how, Mr Forsyth said. There were five "feasible" methods: "Gassing, which is indiscriminate, poisoning which is massively indiscriminate, trapping, which is singularly cruel, shooting, which is no good, because you can't hit a fox's heart at 200 yards, and fox-baiting. The advantage of baits is that the fox escapes totally intact or is killed outright. It is never wounded."

Essay, page 14

New S Wales abuse inquiry

Roger Dobson

Police yesterday launched another large-scale inquiry into allegations of abuse at children's homes.

More than 50 detectives will investigate claims of sexual and physical abuse at five homes in South Wales over the last 23 years; they expect to interview up to 800 people.

Although some of the allegations date back to the early 1970s, the most recent involve abuse said to have occurred only four years ago. The seven people who have complained of abuse were aged 10 to 19 at the time of the alleged offences.

The new investigation will fuel claims that abuse was endemic in Britain's children's

homes during the Seventies and Eighties in a loosely policed care system where workers were moved on rather than investigated when allegations were made by children who were both vulnerable and isolated from their families.

Allan Levy QC, the leading child-care lawyer who chaired the Staffordshire "pandemonium" inquiry said yesterday that the Government should now take action and implement a general council for social workers to oversee standards in the profession and make whistleblowing easier.

The total number of police inquiries into abuse allegations at care homes, many of which are ongoing, is now approaching 20. Cheshire, Merseyside and

North Wales have been the most extensive, and the tribunal into abuse in homes across North Wales is still taking evidence.

The new inquiry in South Wales comes in the wake of an earlier police investigation into alleged abuse at the now-closed Taff Vale children's home in Cardiff. Six people have been charged, and it was evidence from that inquiry that prompted the further investigation.

It will look at five homes - the Glamorgan Farm school at Neath, and the Sully assessment centre, Headlands centre, Bryn-y-Don, and Crosslands children's home, all in Cardiff. Only Crosslands and Headlands are still open, although the allegations in both cases

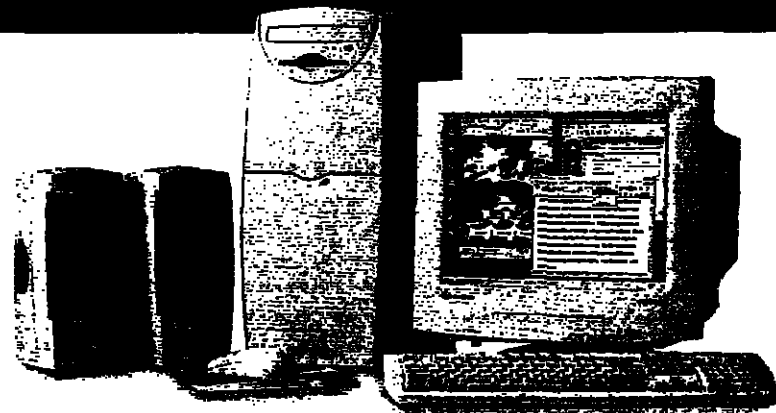
relate to several years ago.

Detective Chief Superintendent Phil Jones, head of South Wales CID, said yesterday, "As far as the alleged culprits are concerned none of them are today working in positions where they have day-to-day control of children or young people ...

"This investigation presents people with the opportunity to speak to us about any concerns they have. I estimate there could be up to 800 people who passed through these places and so the potential is there for this inquiry to evolve into a complex and wide ranging investigation."

A confidential hotline - 01656 869484 - has been set up. It will be staffed from 8am to 10pm, and counselling will be available.

You Get More For Your Money At Gateway 2000!



The Gateway 2000 P5-200SP multimedia system gives you great looks and great sounds at a great price.

Check out what we've packed inside this PC - an Intel 200MHz Pentium Processor with MMX technology, huge hard drive, loads of memory, great sound system, excellent graphics card, 15-inch CrystalScan monitor and top-notch voice/fax modem. And that's just the hardware!

All Gateway 2000® systems also come with Microsoft Windows 95 and the MS Office 97 Small Business Edition. Plus suite of software pre-installed. When your PC arrives, just push a button and you'll be computing in no time!

At Gateway 2000, we care about you. That's why we offer you award-winning service and support, including free telephone technical support on all our hardware and software for as long as you own your PC. You also get a 30-day no-quibble money-back guarantee (shipping costs not refundable) and Gateway 2000 warranties.

And the best part, the price! Gateway 2000 is the spot to buy a PC - give us a call today!

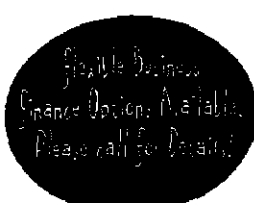
P5-200SP

- Intel 200MHz Pentium® Processor with MMX™ Technology
- 16MB High Performance SDRAM
- 512K 15ns Pipeline Burst L2 Cache
- 3.5" 1.44MB Floppy Disk Drive
- Mitsumi 12X min/16X max 120ms CD-ROM Drive
- Western Digital® 2.5GB 12ms EIDE Hard Drive
- Ensoniq® WaveTable 32-bit PCI SoundChip
- Alttec® Lansing ACS41 7W Speakers
- ATI RAGE II+ Graphics Accelerator with 2MB SGRAM
- EuroViva 33.6K Fax/Data/Voice Modem
- 15" CrystalScan® TCO-92 0.28dp Monitor
- ATX Tower Case: 5 External & 3 Internal Drive Bays
- Microsoft® Windows® 95 105 Keyboard
- MS® Windows 95, MS IntelliMouse
- MS Office 97 Small Business Edition Plus
- 3 Year Limited Warranty

£1199 (£1442.90 inc. VAT & Delivery)

Drop by the Gateway 2000 Showroom, 10 Bedford Street, Covent Garden, London WC2E 9HE. You'll be glad you did!

Showroom Hours of Business:
12.30 pm - 6.30 pm Mondays
9.30 am - 6.30 pm Tuesday - Friday
10.00 am - 4.00 pm Saturdays
Closed Sundays and Bank Holidays



GATEWAY2000
"You've got a friend in the business."
0800 39 2000
http://www.gw2k.co.uk



Gateway 2000 • Clonsilla Industrial Estate • Dublin 17 • Ireland

All configurations and prices are subject to change without notice or obligation. ©1997 Gateway 2000. Gateway 2000 and other registered trademarks, "You've got a friend in the business" slogan, CrystalScan and Gateway 2000 are trademarks or registered trademarks of Gateway 2000, Inc. The Intel Inside logo and Pentium are registered trademarks and MMX is a trademark of Intel Corporation. All other brands and product names are trademarks or registered trademarks of their respective companies. All prices quoted at Gateway. All sales subject to Gateway 2000 Europe's standard terms and conditions and limited warranty. Delivery subject to prior receipt of payment. Actual savings may vary by region. 1.2" box.

Phone. Bill.

WorldCom's telephone service is made for business. You can see it in our bills. Every month. Line by line. Second by second. Accurate, informative, no extras. And excellent value for money.

FreePhone
0800 0 18 18 18

or browse <http://www.worldcom.co.uk>
or fax 021 750 3210
Voice • Data • Internet

WORLD COM
WORLD CLASS
TELECOMMUNICATIONS

10 Fleet Place, London EC4M 3RS

If we don't reach you
within an hour, we'll
give you £10.

The AA and RAC won't.

call free today on

0800 001 353

quote ref. no. A3171 and your credit/debit card number.

Green Flag

Motorway Assistance

WE LEAVE EVERYONE STANDING BUT YOU

<http://www.greenflag.co.uk>

*Upon receipt of claim CTD cheque will be issued.

An important message to all our customers.

Between 9th and 12th July, we regret that British Airways flights will be disrupted due to industrial action.

However, we are endeavouring to operate as many services as possible, and we can already confirm that the following flights will not be affected:

- All flights to and from regional airports - Birmingham, Manchester, Edinburgh & Glasgow (except those to and from London Heathrow).
- All domestic & European flights from London Gatwick.
- The following franchise & Alliance operated flights:

BA998-999	BA4600-4999	BA6800-6999	BA8200-8299	BA8840-8899
BA3000-3499	BA6200-6449	BA7600-7949	BA8300-8450	
BA4000-4199	BA6700-6749	BA8000-8199	BA8700-8839	

- The following specific flights to and from London will also operate as normal during this period:

London Heathrow Terminal 4			London Gatwick		
Miami	BA293/BA292	Tbilisi & Biskek	Dallas	BA2193/BA2192	
Chicago	BA297/BA296	Alexandria & Damascus	Miami	BA2295/BA2294	
New York	BA299/BA298	Dubai & Muscat	Houston	BA2225/BA2224	
	BA175/BA174	Bahrain & Abu Dhabi	Pittsburgh	BA2199/BA2198	
	BA179/BA176	Tokyo	Tampa	BA4517/BA4516	
	BA001/BA004		Antigua & Grenada	BA2253/BA2252	
	BA003/BA002		Barbados & St. Lucia	BA2255/BA2254	
Boston	BA215/BA214		Barbados	BA2257/BA2256	
	BA213/BA212		Nassau & Grand Cayman	BA4505/BA4504	
Los Angeles	BA269/BA268	Hong Kong & Taipei	Buenos Aires	BA2267/BA2266	
	BA279/BA278	Hong Kong & Manila	Sao Paulo & Rio de Janeiro	BA2245/BA2244	
	BA283/BA282	Bangkok, Sydney & Melbourne	Nairobi & Entebbe	BA2069/BA2068	
Johannesburg & Durban	BA055/BA054	Bangkok, Sydney & Brisbane	Nairobi & Dar Es Salaam	BA2069/BA2068	
Johannesburg & Gaborone	BA055/BA054	Singapore & Perth	Nairobi	BA2069/BA2068	
Johannesburg	BA057/BA056				
Amman	BA6705/BA6706				
Beirut	BA6701/BA6702				
	BA6703/BA6702				
Damascus & Amman	BA6707/BA6708				
Singapore	BA015/BA016				

London Heathrow Terminal 1

Approximately a quarter of European services will be operating as normal, but no domestic services.

For further information on European services to and from London Heathrow and flights not listed above, either:

1. contact your travel agent or British Airways Travel Shop
2. look on ITV teletext p.380
3. visit our website at www.british-airways.com/strike
4. or call our information line 0800 727 800.

We would like to offer our sincerest apologies to any customers who are being inconvenienced by the current action. Rest assured that we are doing all that we can to keep disruption to a minimum and most importantly to bring this dispute to a satisfactory conclusion as soon as possible. If your flight is affected, we will endeavour to organise alternative travel arrangements for you to reach your destination.

BRITISH AIRWAYS

صكرا من الامن

Ffion and William face their most ticklish problem yet



As photo opportunities go, William Hague's attempt to grab his share of the limelight yesterday fell some way short of the mark. The Yorkshire-born Tory leader also ran the risk of being Tyle-cast as he and fiancée Ffion Jenkins visited to the Great Yorkshire Show at Harrogate. Photograph: Ian Hodgson

Nolan plan to jail councillors for corruption

Christian Wolmar
Westminster Correspondent

Councillors should no longer face the prospect of being suspended if they misbehave but, instead, could be sent to jail, according to recommendations by Lord Nolan's Committee on Standards in Public Life.

The third report by the Nolan Committee, which was set up in the wake of the cash-for-questions scandal three years ago, recommends a complete reform of the way that councillors are disciplined.

Surcharge, which under current legislation is applied to councillors rather than ministers, MPs and quangos board members, would be replaced by a new disciplinary procedure. While minor offences would be dealt with by a new Council Standards Committee, more serious offences would go to the criminal courts, to be dealt with under the new offence of "misuse of public office". Lord Nolan said "they could face a jail sentence".

The Nolan recommendations were set out by both sides in the Westminster council gerrymandering scandal in which former Tory council leader Dame Shirley Porter and five officers and councillors face a surcharge of £31m.

Lord Nolan's criticism of surcharge, which he says is "outdated" was welcomed by Lady Porter who argues that the case against them should be dropped. She said: "The changes proposed by Lord Nolan vindicate our belief that Westminster councillors and officers were found to be at fault by a deeply flawed and unjust system."

However, three of the complainants in the case who are now Labour MPs welcomed the report. One of them, Peter Bradley, said: "It has always been my view that unlawful misconduct should be a criminal offence with all the penalties which that implies."

Lord Nolan also said that following the Downey report into the cash-for-questions case, he would have to return to his first report which dealt with Parliament to consider the issue of punishment. All the five men involved had lost their seats which

meant they could not be expelled from Parliament.

Lord Nolan was at pains to stress that while there were cases of corruption, most councillors and local government workers were honest. He said: "The vast majority of councillors and officers observe high standards of conduct." Asked about this, he said the committee had sought advice from the police, auditors and local newspapers.

However, Lord Nolan appeared not to have heard of the scandal that has engulfed Doncaster council and mentioned that in taking evidence for the committee he had only heard two allegations – one concerning "brown paper envelopes in a Scottish council" and another in which "English authority planning officers were moved regularly" in order to avoid allegations that they became too close to developers.

Lord Nolan's 39 recommendations include the creation by each council of a new code of conduct for councillors; the creation of a new Local Government Tribunal to ensure that district auditors are no longer prosecutor, judge and jury in misconduct cases; and better rules to protect whistleblowers.

Minister in shares row urged to quit

Anthony Bevins
Political Editor

The Tories yesterday stepped up their campaign against Lord Simon of Highbury and Canonbury, the former BP chairman who has become a minister without divesting himself of his £2m BP shareholding.

A Commons motion called for the resignation as Minister for Competitiveness in Europe, and the Cabinet Secretary was asked to rule whether Lord Simon was in breach of the government code of conduct.

John Redwood, shadow President of the Board of Trade, said the Opposition remained very unhappy that Margaret Beckett, the President of the Board of Trade and Lord Simon's boss at the Department of Trade and Industry, had not answered questions that had been put to her about the "apparent conflict of interest".

He said in a statement: "It looks as if a senior government minister has failed to live up to the high standards of openness required and the Government is now in a state of confusion over it."

In two separate developments, John Bercow, Conservative MP for Buckingham, tabled a Commons motion,

supported by 28 Tory colleagues, calling for Lord Simon's resignation from the Government because he had neither sold his shares nor declared his interest for inclusion in the new Lords' Register of Members' Interests.

Mr Redwood also said that



Margaret Beckett: Unanswered questions

Julian Lewis, Conservative MP for New Forest East, would be writing to Sir Robin Butler, Secretary to the Cabinet, "drawing attention to apparent breaches in the rules laid down in Questions of Procedure

for Ministers, arising from Lord Simon's failure to inform Mrs Beckett about his continuing to hold more than £2m worth of shares in BP – a company whose interests could potentially conflict with his Treasury and DTI responsibilities."

The perceived conflict of interest was further underlined by Greenpeace yesterday, when Matthew Spencer, the pressure group's climate and energy campaigner, complained that subsidies of about £17m were being paid out to the fossil fuel industry, and oil companies were also being given preferential tax treatment.

Mr Spencer said that a former Tory energy minister, Tim Eggar, was now "heading a company, Agip, which is taking the lead in exploring for oil on the Atlantic frontier."

"There is a revolving door between the oil industry and the Government," he said. "It does raise the spectre of cosy chats between friends who are either in oil or have been in it, about how, for example, the review of North Sea oil taxation, which the Chancellor has just announced, could affect their industry and what could be a suitable outcome."

Ministry's £1m move to a smart address

Colin Brown
Chief Political Correspondent

Ministers and civil servants are busy preening their Whitehall offices for the arrival of the European leaders for Britain's turn at the Presidency of the European Union.

The entire ministerial team from the Ministry of Agriculture, Fisheries and Food is moving out of its Whitehall headquarters to more salubrious premises at Nobel House, Smith Square, at a total cost of about £947,000.

Jack Cunningham, the minister of agriculture, insisted that the move would have been necessary to enable the Whitehall Place offices to be refurbished, but an internal memorandum by the permanent secretary at Maff, RJ Packer, makes it clear that the move is carried out in time for Britain to take over the six-month Presidency in January.

Mr Packer said ministers believe their present offices "need a revamp and is not in their view of an appropriate standard for hosting the forthcoming UK Presidency". The Nobel House offices include "some rooms... of real architectural distinction", Mr Packer added.

The moving costs for ministers and officials are estimated at £120,000, and it will cost £240,000 to provide conference facilities. The Departments chief scientist's group is being moved out of Nobel House at a cost of £220,000. The Department is also paying an "occupancy charge" of £367,000 this year.

David Curry, a former Tory minister, said: "When the Whitehall building was last refurbished in 1989, we moved into the basement. I remember conducting meetings surrounded by the heating pipes. But they clearly want something more fancy for the presidency. It is a bit tactless to be doing this when farmers are still feeling very sore."

£2.3m Tory bill for faulty plastic bullets

Fran Abrams and
Anthony Bevins

The Conservative government spent £2.3m on more than 3,500 years' supply of plastic bullets, most of which were faulty.

Information released to Brian Sedgemore, Labour MP for Hackney South and Shoreditch, has revealed that the police and army continued to use the first batch of 284,500 rounds for a year after it became clear that they were firing too fast and were dangerous.

Then, when the manufacturers had been given time to produce a new batch, a further 94,000 were ordered. The first batch cost £1.7m, and the second £685,000.

In 1992, the year before the first consignment was ordered, just 88 plastic bullets were fired in Northern Ireland. In 1995, the year before the next batch was bought, just 275 were used.

Even at 1996 levels, when more than 8,300 plastic bullets were used – the highest number for 15 years – supplies would have lasted for 45 years. Many of the remaining, non-faulty bullets are likely to be scrapped because the Government hopes to develop a safer replacement. Since 1981 more than 1,000 people have been injured by the bullets, though no one has been killed by them since 1989.

Almost 9,000 of the faulty bullets were fired during disturbances in the province last year. A further 45,000 were withdrawn after the new, more accurate batch was introduced.

The remaining 230,000 were used in training, according to the Ministry of Defence, even though there is a laser simulator for that purpose. The MoD decided to stop using the faulty bullets in February 1997 and finally withdrew them in April, even though it had known since early 1996 that they were firing too fast.

Dixons Photo Show 97

BRITAIN'S BIGGEST RANGE OF CAMCORDERS

PLUS BUY NOW PAY 1998*

JVC GRAX460
VHS-C CAMCORDER WITH 14x HYPERZOOM

- Programme auto-exposure modes with special effects.
- Character generator.
- Built-in video light.
- Easy edit function.
- Remote control. Was £549.99. In-store Price £499.99.

VOUCHER PRICE
£449.99

SAVE A TOTAL OF **£100**

BUY NOW PAY 12 MONTHS LATER*

PRICE CHECKED

One voucher per purchase. Not for use with other offers. Offer ends Thursday 17th July 1997. Branch use only – discount using code 4-100 (Office offer). DIXONS DISCOUNT VOUCHERS

New Technology

DIGITAL CAMCORDERS – CLEARER, SHARPER, SIMPLER
Here's one breakthrough that's definitely NOT earth-shaking – digital camcorders. Thanks to the wonders of Digital Image Stabilisation, they hardly shake at all. That means they're even easier to use – and the picture quality is superb.

JVC GR-DV70
DIGITAL VIDEO CAMERA WITH 100x DIGITAL ZOOM

- Colour LCD viewfinder.
- Single frame capture facility.
- PCM digital stereo sound. Was £1599.99.

£1499.99

SONY PC7
DIGITAL VIDEO CAMERA WITH 200x DIGITAL ZOOM

- Built-in 2.5" LCD screen and speaker.
- Super steady shot.
- Smallest digital video camera with LCD screen. Was £1999.99.

£1799.99

PRICE CHECKED

PRICES CHECKED AND CORRECT AT TIME OF GOING TO PRESS. Should you find a cheaper price please let us know immediately. We will refund the difference. If you can find the same offer cheaper locally, just notify us of the details within 7 days of purchase. The product must be new, complete and available for immediate delivery. Mail order/offers excluded.

ORDER DIRECT ON
0500 50 40 30
Delivery charges from £3.25

PART OF DSO RETAIL LIMITED

BUY NOW PAY 1998
Pay a 20% deposit and purchase is interest free if repaid before or with monthly payment. Typical Example: Cash price £1499.99, 20% deposit of £299.99, Loan amount £1199.99. Pay the deposit and nothing more for 12 months, then either settle the balance of £1199.99 within 12 months or make 36 monthly payments of £32.77. Total payable £1259.72.

Bigger and Better than Ever!

RANGE – BRITAIN'S BIGGEST
✓ No one stocks more camcorders.

LATEST TECHNOLOGY
✓ If it's new, we've got it. Come in and see it now.

ADVICE YOU CAN TRUST
✓ We'll help you find the camcorder that's right for you.

QUALITY GUARANTEED
✓ All products are backed by Mastercare, Britain's biggest service and repair network.

PRICE – EVERY WEEK WE CHECK HUNDREDS OF PRICES TO MAKE SURE DIXONS' 'PRICE CHECKED' PRICES CAN'T BE BEATEN

PRICE CHECK

TOP BRAND CAMCORDERS
SAVE UP TO £150

HITACHI VM10120
Hi8 CAMCORDER WITH 22x POWER ZOOM

- 15x instant zoom.
- AA battery compatibility.
- Date/time timer.
- Auto/manual focus.
- Was £499.99. In-store Price £349.99.

£349.99

SAVE **£150**

Panasonic NVX15
Hi8 CAMCORDER WITH 14x POWER ZOOM

- 4 programme auto-exposure modes with manual override option.
- 0.5 lux low light capability.
- Was £499.99. In-store Price £399.99.

£399.99

SAVE **£100**

Canon UC500
Hi8 CAMCORDER WITH 20x POWER ZOOM

- New compact design.
- Built-in electronic stills.
- 6 programme AE modes.
- Was £599.99. In-store Price £499.99.

£499.99

SAVE **£100**

Canon UC9H
Hi8 CAMCORDER WITH 14x DIGITAL ZOOM

- 14:1 stereo sound.
- Optical image stabilisation.
- 5 auto-exposure modes.
- Was £699.99. In-store Price £599.99.

£599.99

SAVE **£150**

Panasonic NVX1
Hi8 CAMCORDER WITH 14x ZOOM

- 5 programme auto-exposure modes.
- 3" high quality LCD screen.
- 0.5 lux low light capability.
- Was £799.99. In-store Price £599.99.

£599.99

SAVE **£150**

SONY TR20
Hi8 CAMCORDER WITH 30x DIGITAL ZOOM

- 6 auto-exposure modes.
- 0.7 lux low light capability.
- Electronic "steady shot".
- Was £799.99. In-store Price £699.99.

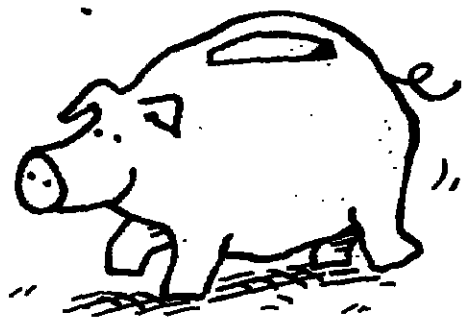
£699.99

SAVE **£100**

Dixons
There's a Great Deal going on

29.5% APR
Subject to status. Minimum deposit 10% on loans over £1000. Written credit questions available on request from: Dept. FCO/AC, Maylands Avenue, Harlow Harpenden, Herts HP2 7TG. (Applicants must be 18 or over, 21 in Northern Ireland)

THE MOST
POWERFUL
ARGUMENT
FOR
SWITCHING
TO MERCURY
IS MONEY.
POTS OF
MONEY,
LOADS OF
GLORIOUS,
LOVELY,
SACKLOADS
OF MONEY.



GUARANTEED
CHEAPER CALL BILLS
OR DOUBLE
YOUR MONEY BACK.

If you make international or national calls,
we're so confident that you'll save
money on your call bill with Mercury
(even against BT's PremierLine and
Friends and Family), that if you don't, we'll
refund double the difference.
Call the number below. If only for the money.

Mercury
FreeCall 0500 500 366

Price Pledge terms apply on Mercury SmartCall and UK-Call
call bills only, compared against BT's basic rates and discount
schemes, excluding line rental and temporary promotional offers.
Not available on Calling Card or business packages.

international

Nato embraces Eastern partners in biggest step for half a century

Anglos carry the day in battle of the bigger alliance



Winners and losers: Robin Cook, the Foreign Secretary (top left), Tony Blair and Bill Clinton, who got their way at Madrid yesterday at the expense of the Spanish Foreign Minister (above left), the Nato Secretary-General, Javier Solana, and the Spanish Prime Minister, Jose Maria Aznar. Photographs: AFP

Limit of three thwarts Mediterranean ambitions

Elizabeth Nash
Madrid

A pang of disappointment ran through Nato's Mediterranean flank yesterday, as France, Spain and the rest digested their modest gains from the summit billed in advance by the Secretary-General Javier Solana as "historic". None of their efforts to draw the alliance's centre of gravity down to the south and east succeeded, as the realisation struck home that this was Uncle Sam's show.

Expectations were diminished before the summit opened, especially when President Bill Clinton announced the US would support the candidature only of Poland, Hungary and the Czech Republic, and that the southern countries' additional candidates, Romania and Slovenia, would have to wait.

The Spanish Foreign Minister, Abel Matutes, yesterday stressed the importance of "the

Mediterranean dimension" in enlargement but a senior Spanish official was blunter: "When Clinton said only three, we said 'forget it'. We have no choice," the diplomat said.

The summit was also supposed to streamline Nato's command structure, making it more flexible as new members joined, and a key French demand was for a European - rather than American - officer to run the Southern Command that controls the Mediterranean region.

But it became clear at the weekend that agreement on a new structure would be postponed until December, and that the idea of a European head of the Allied Forces Southern Command ("Afsouth") - a proposal never taken seriously by the Americans - has probably bitten the dust.

Mr Clinton said on Monday: "We do not believe that the US should give up the command of Afsouth because that's where

the US Sixth Fleet is." After troops in Germany, Japan and South Korea, "the Sixth fleet is our biggest asset beyond our borders, and the major asset of Afsouth."

The French appeared yesterday to have dropped this demand, for now. But they fought to the end for five new members, backing down amid strong indications that they wanted "a more legitimate and more effective sharing of responsibility within the alliance" and stressing that those backing the five were "in a majority".

Spain's ambitions to carve out for Europe a stretch of the Atlantic command - a corridor along the North African coast to the Canary Islands - were also dashed, partly because Spain's full membership has been postponed until the new structure is approved, and partly because of British, American and Portuguese reluctance to disturb the Atlantic power balance.

Everyone accepts the Canaries must come under the European command but the islands will probably be enclosed in a European administrative bubble within the Atlantic command. This is the least palatable solution for Madrid, which sought to strengthen its influence towards the Maghreb.

With sensitivities rubbed raw all round a row flared between Britain and Spain over Gibraltar. The Foreign Secretary Robin Cooke was reported to have indicated a readiness to veto Spain's full integration unless it lifted restrictions on military flights over Gibraltar.

The report was downplayed by British officials, who said the matter was among several to be resolved before Spain became a full member. It was news to Mr Cooke's counterpart, Mr Matutes, who said: "The British delegation have not mentioned any veto."

Invitation to Poles, Hungarians and Czechs was expected, but still infuriates Russia

Christopher Bellamy
and Elizabeth Nash
Madrid

The first three states from the former Soviet bloc have been invited to join the Nato military alliance in 1999.

Nato Secretary-General Javier Solana announced the historic decision to invite Poland, Hungary and the Czech Republic to join yesterday afternoon. The announcement, which Mr Solana said was "a defining moment", signals the biggest single expansion in Nato's 48-year history and is the first to embrace countries which not long ago faced the 16-nation Western Alliance in armed confrontation.

It is an assertion that Nato won the Cold War, and Russia denounced Nato's expansion in the strongest terms. "We still consider expansion the biggest mistake in Europe since the end of the Second World War," Foreign Minister Yevgeny Primakov said in Moscow. The Russian President Boris Yeltsin was pointedly absent from the summit.

Slovenia and Romania, whose candidacy was supported by many Nato countries, missed out but Mr Solana gave them a special mention along with the Baltic States, after a long wrangle between Nato officials to devise wording acceptable to all 16 members. He stressed the door to Nato membership remained open.

Yesterday's decision at the Madrid summit means countries with a population of 60 million and armed forces of 382,000 will join Nato in 1999, increasing Nato's territory by 14 per cent.

Right to the end, the Allies argued vigorously about who should be invited to join. The majority, led by France, wanted five, including Slovenia and Romania. But the US, the dominant power in Nato, backed by Britain, only wanted three. Yesterday morning, the smallest number - the number on which all could agree - was chosen.

The only big remaining hurdle for the successful three is ratification by the parliaments of the 16 existing Nato members. They will also have practical military steps to take, but those are already underway. The Nato charter says new members must be accepted unanimously. Once they accede it is irreversible: there is no procedure for ejecting anyone from Nato.

The Prime Minister, Tony Blair, said: "It is a realistic and sensible agreement. Of course, some other countries would like to have gone further. But this is not a political club. This is a military alliance."

The decision to invite only three members was a disappointment for France and other Mediterranean countries, but they accepted it rather than impose a veto. That would have risked causing an irreparable breakdown in the Alliance. President Jacques Chirac said: "We are relatively satisfied with that solution."

The supporters of five new members exacted a significant concession. Nato sources said a "strong consensus" was emerging that the balance of power between the US and European Nato members needs adjusting. European defence needs a new balance between Europe and America at the heart of the Alliance, which at present has an unbalanced European-American relationship in the

decision-making process", Mr Chirac said.

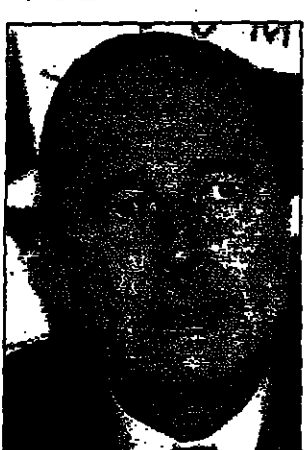
By mid morning yesterday, when the list was down to three, the main argument concerned the wording of the statement, stressing that the door to Alliance membership was still open. Countries which had wanted five new members wanted an explicit reference to the progress made by Slovenia and Romania towards fulfilling the conditions for membership. Britain and the US did not, arguing it might offend the three Baltic States, which also want to join. They said that if any guarantee was given to Slovenia and Romania, they might as well be invited to join now.

In the end, Mr Solana mentioned Slovenia, Romania and the Baltic States. "No European democracy will be excluded from consideration. In keeping with our pledge to maintain an open door we will keep [this] under continual review."

The next round of invitations is expected to be issued at the summit to mark Nato's 50th anniversary in 1999, when Poland, Hungary and the Czech Republic will join.

Mr Blair had a 90-minute meeting with President Bill Clinton in his hotel after dinner on Monday night, when they discussed enlargement. Mr Blair briefed Mr Clinton on the situation in Northern Ireland, and thanked him for supporting peace efforts in the province.

The British and Americans felt that increasing Alliance membership by five to 21 members, an increase of nearly a third, would be going too far. It would increase the area of the



Jacques Chirac: Relatively satisfied by concessions

Alliance and its population by 20 per cent. British officials pointed out that Britain has the biggest joint defence programme with Romania, bigger than any of the countries which had supported Romania joining.

Although Nato enlargement has provoked strong opposition in Russia, it has been softened by the signature of the Founding Act on 27 May, which attempts to prevent Russia being isolated. Today, Nato will sign a similar agreement with President Leonid Kuchma of Ukraine, who is representing his country at the summit, strengthening the complex jigsaw of security arrangements.

■ Madrid (AP) Nato leaders expressed concern about the crisis in the Bosnian Serb Republic. Without mentioning Radovan Karadzic, the Bosnian Serb leader locked in conflict with President Bill Clinton, they warned they would not accept a power grab. "We will not tolerate any recourse to force or violence," Mr Clinton and the other leaders said.

Eurofighter given the green light

Inna Karacs
Bonn

Germany's warring government departments have struck a deal to bankroll Eurofighter, the controversial combat jet to be built together with Britain, Italy and Spain. Until now, German indecision has held up the project, already approved by the other participating countries.

Though a final Cabinet decision is only due on Friday, details of the agreement between the ministries of finance and defence have been widely leaked. According to these, Volker Rühn, the Defence Minister, will receive \$50 million German marks (£289m) next year and DM1.2bn (£408m) in 1999, specifically earmarked for the multi-purpose combat aircraft that will replace the Luftwaffe's Phantom jets.

There will, however, be wide collateral damage to the German armed forces. Despite the large Eurofighter entry fees, Mr Rühn's overall budget is expected to take an overall cut of DM500m, at a time when half the army's tanks are already rusting away because there is not enough money for repairs and fuel.

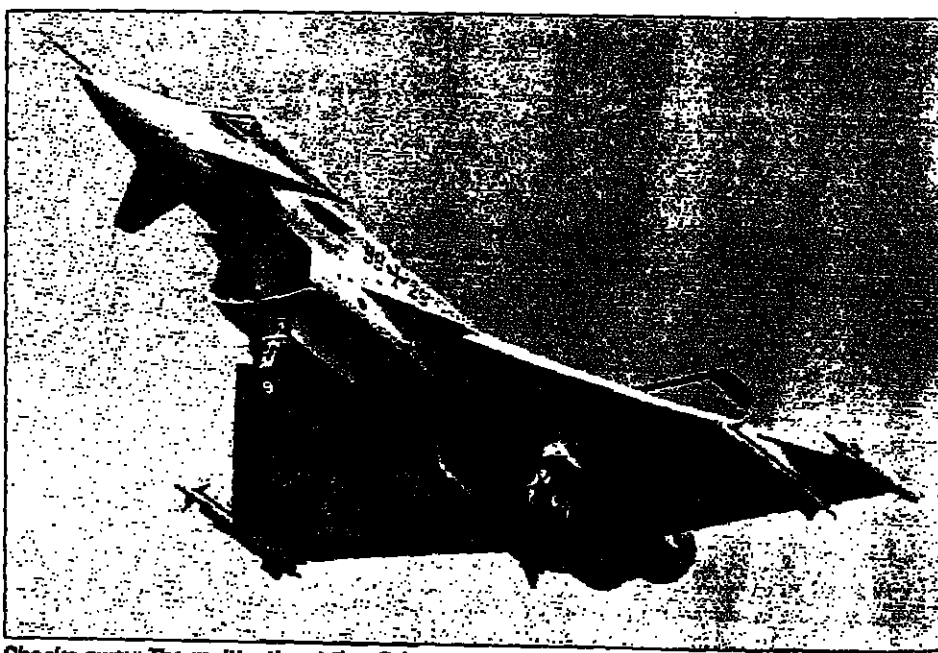
Germany will order 180 Eurofighters at an estimated cost of DM23.3bn (£7.95bn). German companies have invested DM6.5bn in research costs, and some 40,000 jobs are estimated to depend on the project, mainly at Dasa, the aeronautics division of Daimler-Benz.

The new planes are the only beneficiary of an emergency budget expected to be submitted on Friday to the Cabinet by Theo Waigel, the Finance Minister. As Germany desperately prunes back branches of the welfare state in order to meet Maastricht targets, it is hard to justify such huge sums on an

untested weapon aimed at an unknown enemy.

But Mr Waigel, a Bavarian, was always likely to be sympathetic to Eurofighter, because most of the jobs it would generate are in his homeland. That may not silence the critics, however hard the government will try to rationalise the decision on economic grounds. The pacifist Greens are naturally opposed, as are most of the Social Democrats, who argue that Eurofighter is an expensive luxury with no obvious benefits.

On the government benches, too, there is a great deal of scepticism, especially among the Free Democrats. But, just as it has sown the seeds of discord in the government, Eurofighter will also split the opposition. With the greatest reluctance and a great deal of squirming, Bavarian Social Democrats are likely to vote with their constituents' pockets in mind.



Chocks away: The multinational Eurofighter, given the go-ahead by Bonn. Photograph: Reuters

سكنا من الامم

Mars' great flood was size of the Med

Riddle of where water went and whether it ever supported life

Charles Arthur
Science Editor

Had the *Pathfinder* spacecraft landed where it is now 1 billion years ago, it would have been hundreds of feet under water. The Ares Vallis site was once the scene of a colossal flood that would have been big enough to fill the Mediterranean basin on Earth.

The question intriguing scientists is where the water that was once on Mars has gone and whether it might have been able to support life. Photographs taken by *Pathfinder* on its third day showed boulders stacked by currents, ripples in the rocky, salmon-pink landscape and stains left behind by puddles which evaporated long ago.

Geologists have known since the *Viking* missions 21 years ago that floods once swept the planet. The new pictures are powerful evidence confirming that. The water would have covered a swath of Mars hun-



Watch this space: A project director shows off a view of the planet taken from the rover, which with its rover vehicle is opening up new vistas for scientists. Photograph: AFP

X-ray spectrometer to determine the chemical composition of a rock the scientists have dubbed Yogi, for its squat shape. The rover is about the size of a microwave oven and is the first movable craft sent to explore the surface of another planet. So far it has only gone about 100m from the lander. But it has delighted the scientists, who are as proud as parents seeing their child take its first steps.

The lander's camera has taken hundreds of photographs, many in colour and 3-D, leaving scientists astounded by the variety of colours, and thus rock types, in view.

Because it bears on the issue of whether life existed on Mars, scientists said the evidence of floods at the *Pathfinder* landing site will be investigated intensively. But to answer the big question - whether life did evolve on Mars - scientists will have to collect and study the rocks in laboratories on Earth. Nasa plans a mission to do that in 2005.

drds of miles wide, with churning water that reshaped the surface of the planet. "This was huge," said Michael Malin, one of the scientists at the US space agency, Nasa. He estimated that the flood hap-

pened between 1 billion and 3 billion years ago.

If, as some scientists contend, large bodies of water - rather than the rushing torrents described yesterday - ever existed on the Mart-

ian surface, life probably could have survived there. "I think we're fairly confident that there was liquid water on Mars," said Matthew Golombek, a project scientist. "The question is, could it have been

warmer and wetter, such that liquid water could just be sitting there?" Modern conditions on Mars are less welcoming. The highest day temperature measured by the lander on Monday was -12C; the lowest at

night was -76C. The missing water may have boiled off into space millions of years ago, been trapped in rocks and soil, or frozen into icecaps and underground icesheets. The Mars rover has been using its

China moves goalposts for Hong Kong elections

Stephen Vines
Hong Kong

Hong Kong's election system is to be altered in a way which critics say will ensure selection of a compliant legislature. Against a storm of protest, China decided to abolish all elected tiers of government following last week's handover of Hong Kong's sovereignty. However, elections for the legislature were promised before next July.

What was not known until yesterday was what would replace the first-past-the-post system used to elect members to geographical constituencies, which made up one-third of the seats in the now abolished legislature. These will be elected by a unique proportional representation system using a "largest remainder formula", under which winning candidates have votes redistributed to less popular ones. The territory has been divided into five mega-constituencies, ending the system of direct constituency representation.

Fred Li, a former Democratic Party legislator, said: "The purpose is to limit the number of democrats coming back to the Legislative Council." In the last elections, in 1995, pro-democracy candidates swept the board in geographical constituencies, gaining all but one of the seats.

Another move to reduce the presence of pro-democracy candidates comes in a ban on all foreign passport-holders standing for election in the geographical constituencies. Foreign passports are common among Hong Kong's middle class. Emily Lau, a former pro-democracy legislator, and top vote-winner in the last elec-

tion, is among a large group who would now be ineligible to stand.

The government will further enhance its support in the new legislature by arranging to have 10 of the 60 seats filled by members selected by an 800-strong committee, likely to be packed by its supporters. This replaces the present system, where 10 members are selected from the ranks of directly elected local-council officers.

The biggest source of support for the government is likely to come from seats set aside for so-called functional constituencies. They account for half the members of the legislature. Foreign passport-holders will be limited to standing in 12 of the 30 constituencies.

The installation of nine functional constituencies, covering the entire working population, and introduced by the former governor Chris Patten, has been scrapped and replaced by a previous system of constituencies with few electors and, often, no contested election. Under these arrangements the pro-democracy camp, which held almost half the seats in the elected legislature, will be lucky to win a fifth in the new body.

A China-appointed committee recommended a system which appeared to be a far more audacious form of vote-rigging. The multi-seat, single-vote system they backed is designed to deprive popular parties from gaining full benefit of their support, because voters can only vote for a single candidate in a constituency with a number of seats.

This means that those with little support benefit once the bulk of the votes is given to the popular candidate and the remainder are distributed.

Peking accused of meddling in US democracy

Mary Dejevsky
Washington

The high-powered Senate committee investigating political funding abuses in last year's elections caused a sensation at its opening session yesterday by accusing China of deliberately setting out to influence the political process in the United States.

Addressing the committee's first public hearing, the chairman, Fred Thompson, a former Watergate lawyer and Republican senator for Tennessee, was uncompromising: "The committee believes that high-level Chinese government officials crafted a plan to increase China's influence over the US political process," he said.

The committee's vice-chairman, the former astronaut and now Democratic senator for Ohio, John Glenn, offered a revelation of his own. He announced one of the key witnesses, John Huang - an American of Asian origin who became a major fund-raiser at the Democratic Party's Na-

tional Committee - had agreed to appear before the committee on certain conditions. His request for "limited immunity" from prosecution was due to be considered yesterday afternoon. Mr Huang is alleged to have filtered illegal funds into Democratic Party coffers.

The central role the committee has allotted to China will reverberate through Washington. It is only three weeks since Congress approved the renewal of China's most favoured nation trading status, despite opposition from human rights campaigners.

Until recently, the Administration had been at pains to separate Chinese leaders - who it presented as mostly without blame in relations with the US - and small operators who might exceed their brief through over-enthusiasm. This is the explanation offered, for instance, for the use of US supercomputers for military purposes.

Now, the administration has to deal with allegations that China set out to subvert the political process and may even have influenced Bill Clinton's election.

TWO SPARKLING LITTLE NUMBERS FROM RENAULT.



THE RENAULT CLIO
FROM ONLY

£6,995

ON THE ROAD

THE RENAULT MEGANE
FROM ONLY

£9,995

ON THE ROAD



RENAULT

CALL 0800 52 51 50 FOR YOUR NEAREST RENAULT DEALER

international

Cambodian minister executed

Matthew Chance

A senior official from the party of the ousted Cambodian co-premier, Prince Norodom Ranariddh, was shot and killed after being arrested by troops loyal to powerful second prime minister, Hun Sen, an interior ministry official said yesterday.

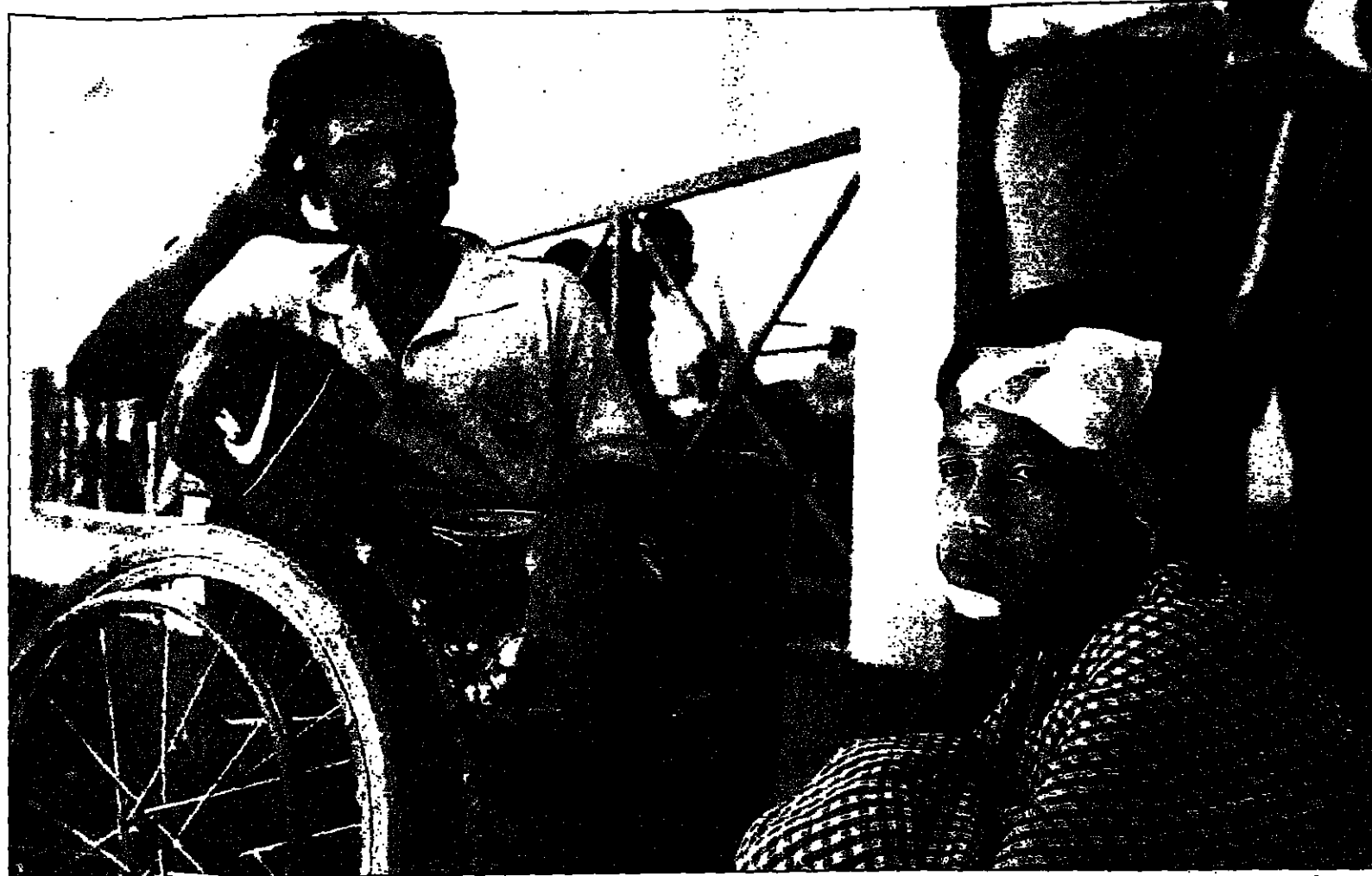
Ho Sok, a secretary of state at the interior ministry, was arrested on Monday and later killed, a member of Hun Sen's party said.

Ho Sok was one of four senior Funcinpec members whom Hun Sen had accused of being responsible for two days of fighting in the Cambodian capital that left at least 58 people dead. Hun Sen, who ousted Prince Ranariddh on Sunday, said the four should be found and arrested.

Prince Ranariddh's top military adviser, General Nhiek Bun Chhay, was among the four identified by Hun Sen. Officials said the general was surrounded by troops loyal to the coup leader.

Away from Phnom Penh, fierce fighting shattered the tranquil silence around Cambodia's ancient Khmer capital last night, as rival forces clashed near the remote temple complex of Angkor Wat in the north-west.

And in another ominous sign, the authorities in neighbouring Thailand began evacuating foreign nationals, in scenes reminiscent of the panicked 1975 departure from the city when the Khmer Rouge took control. Phnom Penh's airport has remained closed to commercial traffic since heavy fighting reportedly damaged its facilities at the weekend. In Washington, the Pentagon ordered American warships to the region in case a full-scale evacuation of foreigners is necessary.



Innocent victims: Cambodians injured in the recent fighting wait for treatment at a Phnom Penh hospital yesterday

Photograph: Reuters

signers is necessary.

In Paris, where he is in self-imposed exile, Prince Ranariddh urged the world to condemn the Hun Sen coup. "I am asking the international community to take a clear position and to never recognise a government resulting from a coup d'état," he said.

A joint statement by the Association of South East Asian Nations (Asean) has called for negotiations between the rival Cambodian factions. Cambodia is scheduled to join Asean later this month but the plans may now be delayed.

Cambodia's drift back to renewed warfare marks a failure

for the United Nations peace effort in the country. Four years ago, democratic elections marked the end of a 23-year project to return Cambodia to peace after nearly 20 years of fighting. But the UN was unable to disarm the rival factions.

"Even if the 1991 peace deal could not be fully implement-

ed, the situation would be much better now if they had tried to get the arms," said Kim Sokha, chairman of the Cambodian parliament's human rights commission.

Tanks and heavily armed troops were patrolling the streets of Phnom Penh last night. Hun Sen, who some see

as a new dictator, voiced indignation at any suggestion of a return to the paralysis of a coalition government with Prince Ranariddh. He has accused his rival of forging a military alliance with the Khmer Rouge, under whose rule an estimated two million Cambodians died.

significant shorts

Kenyans outraged over democracy-rally deaths

The opposition and rights activists condemned Kenyan police for crushing pro-democracy rallies, killing at least eight people and injuring hundreds. Calm returned to several towns a day after the worst political violence in Kenya since 1991. Reformists, who demand constitutional changes before this year's elections, said protests would continue and parliament voted to discuss the violence as "a matter of national importance." AP - Nairobi

Jaruzelski too ill to be tried

A Polish court said the former Communist ruler Wojciech Jaruzelski is too ill to be tried for the shooting of protesters when he was defence minister. In 1970 troops shot dead at least 44 people protesting at price rises. General Jaruzelski, 74, is among 12 former ministers and senior officials due to face a long-delayed trial over the issue in Gdansk. Reuters - Gdansk

Le Pen's day in court

Jean-Marie Le Pen, leader of France's far-right National Front, is to stand trial in November for an alleged election-campaign assault on a Socialist candidate. Two days before the 1 June National Assembly election, in which his daughter was a candidate, he was involved in a brawl in Paris, and could be seen in videotapes tussling with Annette Peulvast, who opposed his daughter, Marie Caroline, in the election. Reuters - Paris

Fury at security job for 'killer'

Rights groups attacked Israel's decision to appoint as a security adviser a former secret agent who allegedly killed Palestinians after arresting them. Ehud Yatom, quoted as saying he used a rock to crush the skulls of two Gaza hijackers in 1984, was a member of a council that advised the government on counter-terrorism. The Israeli Centre for Human Rights in the occupied territories said he was "a self-proclaimed killer." Reuters - Jerusalem

Still sprouting at 43,000 years

Botanists discovered a naturally cloned shrub thought to be 43,000 years old. *Lomatia tasmanica*, also called King's holly, is found in Tasmania. Botanists previously thought the oldest living plant was a 13,000-year-old huckleberry in the United States. Reuters - Hobart

Former Panther kicked out

Australia ordered the deportation of a former Black Panther once convicted of hijacking an aircraft. The acting Immigration Minister, Amanda Vanstone, said Lorenzo Ervin's visa had been cancelled and he was being detained pending deportation. Mr Ervin, who was invited to Australia for a speaking tour by the anarchist group Angry People, was convicted in the US in 1969 of hijacking a plane to Cuba. He was freed in 1983. Reuters - Canberra



No entry: Lorenzo Ervin, convicted of hijacking in the US in 1969, with Australian police in Brisbane

Mourning ends for the Great Leader

Richard Lloyd Parry

North Korea announced yesterday that the three-year period of mourning for Kim Il Sung, the country's "Great Leader," was over, renewing speculation that his son, Kim Jong Il, will soon accede formally to the presidency.

The younger Kim has been commander-in-chief of North

Korea's huge military forces since 1994, but has yet to take on the highest state titles of president and general secretary of the Korean Workers' Party.

Information about the inner workings of the communist leadership is virtually non-existent, but speculation has focused on two possibilities: either protocol makes it inappropriate for a new leader to be inaugurated during

the mourning period, or Mr Kim does not command the confidence of his party.

Food shortages, economic decline and continuing tensions with Pyongyang's deadly rivals in South Korea have encouraged rumours that Kim Jong Il's authority is under threat.

Yesterday, at ceremonies to mark the third anniversary of his father's death, senior members

of the Worker's Party referred to him by military rather than state titles, but reaffirmed his status as Kim Il Sung's heir.

"Long ago he most brilliantly solved the question of inheritance of the leadership in Korea, with a high sense of responsibility for Socialism and the future of the people," said the foreign minister, Kim Yong Nam, in a speech carried by the

Korean Central News Agency. "Party members, officers and men of the People's Army, and all the people will forever believe in Comrade Kim Jong Il, and follow none but him."

Last month, North Korea's ambassador to Moscow said Mr Kim would take on the presidency soon after yesterday's ceremonies, but a report by the South Korean government this

week predicted that this would not happen until October.

Footage shot by state television yesterday showed an unsmiling Mr Kim silently listening to speeches praising him in front of the Kumusan presidential palace in central Pyongyang. Thousands of mourners were shown laying wreaths in front of a huge statue of the late Kim Il Sung.

A mortgage quote in 10 minutes flat. No wonder it's called a hotline.

Make a quick call to TSB PhoneBank for a free mortgage quote.

Because you'll save yourself a lot of time by finding out exactly how much you can borrow before you go house hunting.

So if you want a free quote in ten minutes flat, ring TSB

PhoneBank on the number below and simply ask for it.

CALL FREE 0500 758 000
Quoting ref INH1

Mortgage Quotation Line

TSB We want you to say YES

Calls may be recorded and monitored. A TSB Cheque account is required. Agreement/acceptance of a mortgage loan policy may be required by the Bank as security. Applicants must be aged 18 or over. All loans subject to status. Not available in the Channel Islands. Written quotations are available on request by calling 0500 758 000. TSB Bank plc and TSB Bank Scotland plc are representatives of the TSB Marketing Group, which is regulated by the Financial Investment Authority, only for TSB mortgage, personal, unit trusts and offshore investments. Advice or recommendations relate only to the services of the TSB Marketing Group. TSB Bank plc, Victoria Square, Birmingham B1 1LJ. Registered in England and Wales. Number: 1089268. TSB Bank Scotland plc, Henry Duncan House, 120 George Street, Edinburgh E2 6LT. Registered in Scotland. Number: 95237.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

Albania's quiet miracle confounds doomsayers

New leader will face temptation to behave like Sali Berisha, writes Andrew Gumbel

Little short of a miracle has occurred in Albania, where three months ago nobody would have taken bets on the prospects of a successful election, much less the peaceful, democratic removal of President Sali Berisha, the man most widely blamed for the rampant anarchy, endemic criminality and economic collapse that brought the country to its knees.

The voting of the past two Sundays has revealed a remarkable sense of civic order, and despite the menace of roving gangs and politically inspired skulduggery, was far freer and fairer than last year's farcical election, in which the president's men overran polling stations and stuffed ballot boxes to bursting-point with votes for the ruling Democratic Party. Mr Berisha's promise to respect the results and resign once a new parliament is convened has surprised even his own followers, who have come to recognise him by his iron fist first, and his democratic rhetoric a distant second.

In one sense, though, the real battle is only just beginning. Fatos Nano, the victorious Socialist Party leader who only three months ago came out of the prison cell Mr Berisha had sent him to, has made all the right noises about restoring the rule of law, strengthening democratic institutions and building up a pro-European market economy. "Our historic destiny is to tell the world this country is no longer run by the mafia," he said at a victory rally.

But is such a programme too much to hope for? Mr Nano may be personable, bright, cultured, gifted for languages and well versed in the art of international diplomacy, but didn't Mr Berisha appear to have exactly the same credentials when he took office five years ago? Is there a danger that Mr Nano, like Mr Berisha and every other Albanian leader this century, will turn into a corrupt, repressive autocrat? The warning signs are there. The Socialist two-thirds majority is roughly the same size as Mr Berisha's in 1992. The system they are inheriting is a presidential republic with almost

no division of powers and no independent judiciary.

The country they will rule is so impoverished and anarchy-ridden that the economy cannot function and people cannot earn enough to eat without the help of criminal activities or massive outside intervention — both options fraught with the risk of official corruption.

"Locke said that 'a man, in divers times, differs even from



Fatos Nano: Already going in the right direction

himself". In other words, even the most dedicated democrat will become a dictator if he is inserted into a dictatorship system," said Spartak Ngjela, the outgoing justice minister.

"I'd say the Socialists have three months to introduce a new constitution with a full separation of powers, otherwise they will never be able to change the way this country is run."

As he takes his first key

decisions, Mr Nano appears to be going in the right direction. He has opted to become prime minister rather than president, and pushed the man who led the party during his imprisonment, the relatively uncontroversial physicist Rexhep Mejdani, towards the job of head of state. This is an important first step towards establishing an orthodox parliamentary republic, in contrast to Mr Berisha's plebiscitary leadership style.

There has also been a concerted effort to push another senior Socialist, the outgoing prime minister, Bashkim Fino, into the limelight, to suggest the new government will not just be an exclusive Nano show. Mr Fino, who came from almost nowhere to lead an all-party administration in the run-up to the elections, is tipped for the foreign ministry or a similar post.

The first sign that Mr Berisha was turning dictatorial came when he expelled a group of his most talented and popular colleagues within months of taking office; he could not tolerate being anything other than the undisputed number one. The Socialist-led opposition has a tremendous wealth of intellectual and political talent; the world will have to watch to ensure Mr Nano uses it rather than keeping it at a distance.

The other issue to watch is the fate of Mr Berisha and his circle. In Albania's brutal political climate, former leaders have all too often been killed, exiled or jailed. Although there is no lack of serious charges against the Berisha government, the international community, notably Washington, is pushing for an amnesty to defuse the hostility between Albania's main rival parties. Such an amnesty will be difficult to sell to voters, still furious about the loss of their money to government-sponsored pyramid investment schemes, and risks backfiring if Mr Berisha plays excessively dirty in opposition. But it appears to have the support of at least part of the elite. Mr Berisha's own approach was to leave his predecessor, the twilight Communist leader, Ramiz Alia, in peace for a couple of years and then slap him in jail.

Overall there is a sense that the country has moved on, despite the recent chaos. "Nano cannot be another Berisha, just as Berisha could not be another Enver Hoxha. We have learned something from the past five years; even Berisha has learned, though for him it is now too late," said Fatos Lubonja, one of the country's most respected writers and thinkers and a former political prisoner.

The biggest nightmare will be untangling the mess left by the collapse of the pyramid schemes. Mr Nano rashly promised in the campaign to repay people in full. In practice he will have to rely on foreign credit lines, advocated by the Italian Prime Minister, Romano Prodi, but yet to be approved by the rest of the international community, to tide over the worst-affected and hope the economy will build up fast enough to calm the nerves of the men with guns.

One fear is that the pyramid schemes still nominally in operation, Vefa and Kamberi, will blackmail the government into giving them licences for profitable sectors of the economy, such as chrome mining and telecommunications, in exchange for a pledge to reimburse their investors. This would open the whole system up to corruption. Mr Nano's advisers insist they would prefer a more orthodox solution, but concede this is a prospect they may have to face.

IT ONLY TAKES ONE HOUSE

TO RUIN A PERFECTLY GOOD

BIT OF COUNTRYSIDE.



JOIN THE FIGHT FOR COUNTRY RIGHTS. HYDE PARK TOMORROW.

TOMORROW thousands of people are rallying in London to fight for the future of the countryside. **FACT:** 60,000 jobs in a £3.8 billion economy are threatened. **FACT:** wildlife habitats and the ecology of the countryside are at risk. **DON'T** let urban prejudices destroy the countryside's way of life.

I enclose a cheque for £_____ made payable to the Countryside Alliance Fighting Fund. Or call 0171 582 5652 for credit card donations. Published by the Countryside Alliance (British Field Sports Society, Countryside Business Group and the Countryside Movement), 367 Kennington Road, London SE11 4PT. *Source: Cobham Report 1997
The Countryside Rally is supported by more than 150 organizations including: The British Horseracing Board, The British Shooting Sports Council, The Country Landowner's Association, The Jockey Club, The National Federation of Sea Anglers, The Salmon and Trout Association.

icant shorts

s outraged over
ncy-rally deaths

d too ill to be tried

day in court

security job for 'killer'

outing at 43,000 years

Panther kicked out

t miracle
msayers

obituaries / gazette

Professor H. H. Lamb

H. H. Lamb was the greatest climatologist of his time. He, almost single-handed, alerted the world to the inconsistency of present climate.

In many ways it was inevitable that Lamb would have a distinguished scientific career, because of his family background, but the route he took owed something to his rebellion against inevitabilities. His grandfather was the mathematician Horace Lamb, who published textbooks used by meteorologists, and his father was a professor of engineering. Other members of these two Lamb generations were also successful and influential. As a child and young man, Lamb felt the weight of what he himself described as the terrible concentration of expectations on him as the only male descendant of the family bearing the name of Lamb.

During his childhood, there were hints of rebellion against these expectations and against a rather stern upbringing. He much admired, secretly, his Uncle Henry, an artist and the black sheep of the family. Contact with the family of his friend Trevor Huddleston introduced the young Hubert to different ways of looking at the world. Another friendship led to regular tea-times at the house where Lewis Fry Richardson was the head of the family.

Richardson had already attempted the first-ever numerical prediction of the weather, a technique which could not be used effectively until the development of powerful computers, decades later. It was one of those strange twists that they never talked about meteorology or climate, but Richardson's Quaker philosophy had a strong influence on the rest of Lamb's life.

A much later twist is that, 40 years on, one of the reasons Lamb decided to leave the Meteorological Office to found the Climatic Research Unit at the University of East Anglia was because he felt there was an over-emphasis on the type of research Richardson had started, to the exclusion of the research Lamb was undertaking.

Family pressure continued during Lamb's time at Oundle School. He was forced to abandon history and languages in favour of sciences. He went to Cambridge to study Natural Sciences and then, after two years, decisively rebelled. He switched to Geography, ending up with a master's degree, which his father told him he would regret all his life. In fact, his Cambridge training provided Lamb with the springboard to pursue his catholic interests in climate and in climate-human interactions. His undergraduate rebellion also encouraged his propensity to question conven-

tional scientific thought, a characteristic which permeated his lifetime's research.

Lamb started with the Meteorological Office in 1936. With typical modesty, he claimed that the only reason he got the job was because the director had been a student of his grandfather. Very soon, Lamb produced a well-received paper on the formation of North Sea fogs, but its publication was frustrated because of its potential use to the enemy, when Europe was on the verge of war. The war impinged on Lamb more directly, when he was instructed to work on the meteorology of gas spraying. He immediately sent in his resignation which, in the absence of the Director, was accepted.

The Director's return, however, saw Lamb transferred to the Irish Meteorological Service, where he trained new recruits and was charged with producing weather forecasts for the new transatlantic passenger flights. This was a considerable challenge since data were very sparse, and neutral Ireland was not open to British observations. Lamb had to glean most of his information from air crews arriving at Foynes. The perfect safety record was testimony to his almost unbelievable scientific intuition of the behaviour of Atlantic weather systems.

Soon after his return to the Meteorological Office in 1946, Lamb found himself on the whaler *Balaena* in the Antarctic, as expedition meteorologist. His experience of forecasting with minimal observational data over the North Atlantic clearly helped him chart conditions in the Southern Ocean, from the few observations in lower-middle-latitude lands and the use of expedition aircraft as an instrument to measure the extent of clear weather ahead of the nearest meteorological threat.

Lamb's own sharp powers of observation on the outgoing and homeward voyages nurtured growing seeds of doubt over the received wisdom about the constancy of present climate. No less a person than George Deacon, the founder of the National Institute of Oceanography, had insisted, to Lamb, that the sharp discontinuities between warm and cold waters in the Southern Ocean were invariant. Lamb saw that they were not.

In 1950 Lamb published a classic paper in the *Quarterly Journal of the Royal Meteorological Society* on weather types and natural seasons in Britain. The Lamb Weather Type (LWT) classification it described spawned a whole new industry in climatological research. The LWTs have been used to characterise atmospheric circulation changes, have

been transported to other geographical regions, and – since they encapsulate much information on atmospheric conditions – have been applied to many uses, including air-pollution forecasting.

At around the same time, Lamb – and climatology – experienced a huge slice of luck. He was posted to the Meteorological Office's moribund climatology department, where he was able to indulge his fascination, with little interruption, in what was probably the most complete, and unstudied, meteorological archive in the world. He set about reconstructing monthly atmospheric circulations over the North Atlantic and Europe back to the 1750s, confirming his growing conviction of the reality of climate change on time-scales of significance to modern humankind. He also started to make the first connections between sea-surface temperatures and the atmospheric circulation.

It is ironic that there is a major effort today to understand such connections, because of the significance of links between ocean circulations and the overlying atmosphere, much of it with the computer techniques Lamb felt were used in an uncritical way right to the end of his life.

His work with the Meteorological Office archives strengthened Lamb's burgeoning international reputation. He was receptive to approaches from scientists from other disciplines, and his undergraduate training, ensured an open mind to interdisciplinary, decades ahead of this now fashionable concept. He started to work with botanists and historians.

As his interests in climate variations extended further back in time, Lamb started to examine the possible causes of climatic variations, particularly volcanic eruptions. After a prodigious effort, painstaking in its detail, he produced a measure of the dust in the atmosphere following every volcanic eruption since 1500. He was able to demonstrate the links between major events and cooler conditions. With the 1970 paper "Volcanic Dust in the Atmosphere", Lamb's name again entered the scientific literature as an input for other climatologists' analyses; this time via the Lamb Dust Veil Index.

In the meantime, in 1963, Lamb was awarded a special merit promotion in the Meteorological Office, mainly for his work on the Antarctic. This was accompanied by a rare freedom to pursue research interests. Towards the end of the 1960s, however, Lamb felt that the support he needed to conduct his labour-intensive research would be more suitably found outside



Rigorous and unassuming: Lamb mapped the way forward for the study of climate change

the Meteorological Office. In 1972 he left to found the Climatic Research Unit at the University of East Anglia.

Many would have regarded this as too uncomfortable a challenge, approaching retirement age, and having to confront the uncertainties of research funding in the very different world of universities. Certainly, many were sceptical of the success of such a venture. But Lamb still had a point to prove, and much to do.

His period at UEA saw the completion of his greatest work, a triumph of scientific synthesis and interpretation. *Climate: present, past and future* appeared in two volumes, published in 1972 and 1977, and is a magnificent reference work for all researching in climatology and climate change. He appointed researchers trained in historical methods to tease out the climatic information buried in documentary records, and others to reconstruct climate from "proxy" indicators. He published *Climate, History and the Modern World* in 1982, after

his retirement, and brought out the second edition in 1995.

Although he was Director of the Climatic Research Unit for only six years, it was time enough for him to experience the satisfaction of convincing the remaining doubters of the reality of climate variations on time-scales of decades and centuries. He injected so much momentum into the unit in those first six years that, today, 25 years after its founding, it has a secure world reputation for climate research.

An irony is that, now the world is acutely aware of global climate change, Lamb had maintained a guarded attitude to the importance of greenhouse gas warming. Although many others have accepted this, he felt that there was too much reluctance to consider the full range of other, natural, causes of change. Right to the end of his life, he was promoting his "different view".

His different view of climate has left behind a deeper understanding of the nature of climate change, and of the

interactions between natural systems which contribute to it. He mapped out the way forward for developing a rigorous study of what was, at the start of his career, the rather imprecise preserve of a minority group. His contribution has been immense. That he did all this, whilst still remaining modest, unassuming, and deeply concerned about the lot of his fellows, is the measure of the man.

Just before he died, Lamb completed the manuscript of his autobiography, *Through All the Changing Scenes of Life: a meteorologist's tale*.

Trevor Davies

Hubert Horace Lamb, climatologist: born Bedford 22 September 1913; Meteorological Research Office, Irish Meteorological Service 1940-46; staff, UK Meteorological Office 1945-71; Founder and Director, Climatic Research Unit, University of East Anglia 1972-78; Emeritus Professor 1978-97; married Mona Milligan (two daughters, one son); died Holt, Norfolk 28 June 1997.

J. K. Holt

The death of J. K. Holt ends nearly three-quarters of a century in which two generations of the Holt family had a considerable impact on cricket in Jamaica and the West Indies.

"J. K.'s" father, from whom he inherited his full and shortened names as well as his all-round sporting talent, was an outstanding batsman in the formative years of Jamaican cricket. He scored consistently in a first-class career that spanned 24 years, and toured England with the West Indies in 1923, first forging a friendship with an admiration for Leerie Constantine that gave rise to his son's third Christian name.

John Kenneth Constantine Holt had to overcome not only the comparisons that affect so many gifted offspring of famous parents but the additional expectations created by the legacy of George Headley, certainly Jamaica's and arguably the West Indies' greatest batsman, the end of whose legendary days coincided with the start of his own and alongside whom he first played at the Lucas Club with his father.

As an exciting stroke player with an effortless style reflecting his easy-going manner, Holt was especially strong on the cut and pull. He was a lynchpin in the Jamaica batting for as long as his father had been and, by general consensus, should have played more than his 17 Tests, in which he scored 1,066 runs at an average of 36.75. His knowledge and understanding of the game helped him dispel the general West Indian aversion to formal coaching when he was appointed national coach at the end of his career in the 1960s and he later became a respected selector for Jamaica and the West Indies.

His potential, both in cricket and in football, a sport at which he also represented Jamaica, was evident from his time at Kingston College. His first innings for Jamaica, 94 against Trinidad at Sabina Park in June 1946, was immediate confirmation of his quality and the following year he accumulated the highest of his nine first-class hundreds, 172 against British Guiana in Georgetown.

But for a certain selectorial logic and the fact that there was a trio of batsmen in Barbados whose surnames coincidentally began with W, Holt's entry into the Test team could not have been delayed as long as it was, until the home series against England in 1954. The high scoring presence of Frank Worrell, Everton Weekes and Clive Walcott had rendered the middle order a virtual closed shop but, by then, Holt's batting and all-round game had been honed, as

so many West Indians have been, by his experience in the Lancashire league and on an extensive tour of India and Ceylon with a Commonwealth team in 1950-51.

His Test debut was unforgettable in more ways than one. Batting at number three, he made a classy 94 but was then ruled leg before wicket. It was a brave, if foolhardy, decision in front of his home crowd at Sabina and led to physical attacks on the family of the poor umpire, Perry Burke, a fellow Jamaican whose father had also been a Test umpire.

In the next Test at Kensington Oval, Barbados, Holt fashioned an innings that still brings a sparkle to the eyes of all who saw it. Converted for the first time into an opener in a desperate search for a reliable partner for Jeffrey Stollmeyer, he took apart a formidable attack comprising Brian Statham, Trevor Bailey, Jim Laker and Tony Lock, stroking 166, of which 112 were gathered in boundaries – a six and 16 fours. Not surprisingly, he never touched such dizzy heights again and impatient selectors were quick to discard him the following year after an unsatisfactory home series against Australia.

Not only had he to endure declining returns but, during the fourth Test, the biting and ghoulish sense of humour of the same Kensington Oval crowd that only a year earlier had been enraptured by his dazzling display against England. After he dropped more catches than they were prepared to accept, spectators turned up with a placard reading "Hang Holt. Save Hyllion", a reference to a fellow Jamaican and a former West Indies fast bowler, Leslie Hyllion, who was executed for the murder of his wife at the time of the match.

Holt was not recalled, through more strange reasoning, until the tour to India and Pakistan in 1958-59, when he was 35. When Worrell withdrew to concentrate on university studies the selectors replaced him with Holt, whom they appointed vice-captain, and a raw young fast bowler by the name of Wes Hall. Holt took the chance to make up for lost opportunities, averaging 49 in the Tests in India, including his second 100, 123 at Delhi. But it was to be his swansong at the highest level, although he continued to play for Jamaica until 1962, when he captained the team.

Tony Cozier

John Kenneth Constantine Holt, cricketer: born Kingston, Jamaica 12 August 1923; died Kingston 2 July 1997.

Mate Bonan, politician, died Mostar 7 July, aged 57. A supporter of a separate Croat state in Bosnia-Herzegovina, he led the Croats in their fight against the Muslims, 1993-94.

William Slater Brown, writer, died 22 June, aged 100. Friend of e.e. cummings, with whom he served during the First World War, and the poet Hart Crane.

Philip Butler

Why Philip Butler opted to teach French rather than Classics is not clear; he was an excellent candidate for either. Professor of French first at the University of Wales, Cardiff, from 1966 until 1970, he moved subsequently to Wisconsin University, Madison.

His Cardiff connection began in 1947. By 1950, in a tenured post, he had begun to make himself a specialist in 17th-century French literature. By 1955 he had completed a doctoral thesis which in modified form was published four years later as *Classicism et baroque dans l'oeuvre de Racine*, and placed him, one distinguished reviewer wrote, "among the foremost critics of Racine".

The book was controversial and sometimes hard-hitting in

its insistence upon the social, political and wider cultural background to the plays, and impressive in its erudition. Butler argued that both "baroque" and "classicism" were cultural forms of taste, sensibility and thought inseparable from certain specific historical societies. Racine's tragedies were anti-aristocratic, anti-Christian, anti-baroque.

Born in London shortly before the First World War, Philip Butler was taken almost immediately by his mother to Switzerland, where they settled in the ancient city of Lausanne. He was to spend virtually the whole inter-war period there. His academic record was from the start outstanding, as he moved brilliantly through College Classique, Gymnase Classique and



Butler: a demanding teacher

Baccalauréat to the University of Lausanne. An exceptional result in the *licence* (French, Greek, Latin, Ancient History) in 1935 opened the way for him to pursue postgraduate studies.

He chose to specialise in Greek, under the direction of the great André Bonnard, and spent a year in Paris at the Sorbonne and the Ecole des Hautes Etudes before submitting a preliminary thesis on "Religious experience in the *Iliad*" which earned him the title of *Lauréat de l'Université de Lausanne*.

Butler was still working on his main doctoral thesis while supporting himself with teaching jobs when the Second World War came. Returning to Britain, called up in 1940, posted as an NCO to the Intelligence Corps, he was caught up in a variety of activities which took him to the Middle East and eventually, during the Italian campaign, saw him parachuted behind the German lines to work with the partisans.

When the war ended, he had a crucial choice to make. He opted to stay in Britain rather than pursue his career in Lausanne but, unfamiliar with the British education system, with a certain diffidence.

At Cardiff he won great respect among the students for his dedication and scholarship. They valued his formal lectures, but were particularly appreciative of the fortnightly evening seminars which he and his wife, Elena, held at their home, Philip listening to their free-ranging discussion, Elena warmly dispensing hospitality.

When the Chair in French fell vacant in 1966, Butler was obviously a strong candidate for the post. He also had the support of Eugene Vinaver, the eminent figure in French studies

who had given his thesis and the resulting book enthusiastic approval.

Butler took the post, but not as an innovator; he sought rather to defend and develop the traditional honours degree, to produce specialists thoroughly versed in French culture from its beginnings. British students he considered lacking in commitment, needing to be urged on to greater effort. He was a demanding teacher but never discourteous or lacking in compassion.

In those days "the Chair" meant Headship of the department, membership of Senate and possible involvement in a host of other committees. Butler found many aspects of the job irksome, and did his best to avoid them as unhelpful to

scholarship. It may well be that the frustration this engendered weighed heavily in his decision after only four years in post to accept the chance to succeed Vinaver as Visiting Professor at Wisconsin University and then to accept a permanent appointment there, from which he retired in 1981.

The Madison campus with its 40,000 students had a friendly atmosphere, where he and his wife were made welcome and for the first few years at least Butler's work was almost exclusively with postgraduate students, whose energy and enthusiasm he found stimulating. Later, when the US economy dipped a little, he was unpleasantly surprised to have to teach some beginners' classes.

When Philip Butler retired,

he and Elena moved to Siena and when she died in 1984 he returned to London, to live within the proverbial stone's throw from the place of his birth. Significantly, during this last part of his life his thoughts turned again to Greek and he took up and revised the 1937 thesis on the *Iliad* which was finally published in a limited edition by the Hillside Press in 1987.

Richard Spencer

Philip Frank Butler, French scholar: born London 1 May 1913; Professor of French, University of Wales, Cardiff 1966-73; Professor of French, Wisconsin University, Madison 1972-81; married Elena D'Ancona (died 1984); died London 20 June 1997.

Births, Marriages & Deaths

DEATHS

COLFAR, Dr Nina, late of Hampstead. Died on Tuesday 24 June, aged 94 years, suddenly and peacefully, at home. Cremation has taken place. A memorial gathering in London is planned for the Autumn. Date and venue to be announced.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS should be sent in writing to the Gazette Editor, The Independent, 1 Cannon Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2012 or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. They should be accompanied by a telephone number.

ROYAL ENGAGEMENTS

The Queen's eldest son, Prince William, Duke of Cambridge, is to marry Catherine Middleton, daughter of a wealthy family, on Saturday 19 July at St George's Chapel, Windsor. The bride is 21 years old. The groom is 28. The ceremony will be broadcast on television.

Birthdays

King Hassan II of Morocco, 68; Mr Peter Balfour, former chairman, Charterhouse plc, 76; Sir Phillip Bridges, former Chief Justice of the Gambia, 75; Dame Barbara Cartland, romantic novelist, 96; Mr David Chidley MP, 55; Mr Richard Deacon, artist, 67; Mr Eric Haddad, former Principal, St Chad's College, Durham University, 67; Sir Edward Heath MP, former prime minister, 81; Mr John Heath-Stubs, poet, 78; Mr David Hockney, painter, 60; Dame Jill Knight, former MP, 70; Mr Richard Nelson, former High Court Commissioner to Trinidad and Tobago, 60; Lord Osborne, a Senator of the College of Justice in Scotland, 60; Air Marshal Sir John Sutton, 65; Sir Richard Tucker, High Court judge, 67; Mr Derek Twigg MP, 38; General Jar Jar Walsworth, former international leader, Sebastian Aron, 79; Mr Michael Williams, actor, 62; Mr Michael Wilson, actor and director, 61; Dr Stephen Winkley, Headmaster, Uppingham School, 53.

Visit Lambourn Farm, part of the Windsor Wildlife Trust, at Lambourn, and visit Lambourn Woods, home of the Great Crested Newt. The Great Crested Newt is a protected species. The Great Crested Newt is a protected species. The Great Crested Newt is a protected species.

Anniversaries

Births: Simon Marks, first Baron Marks of Broughton, a founder of Marks and Spencer, 1888. Deaths: Stephen Langton, Archbishop of Canterbury, 1228; King Camp Gillette, safety-razor inventor and manufacturer, 1932. On this day: Henry VIII divorced Anne of Cleves, 1540; the Bahamas became independent, 1973. Today is the Feast Day of St Everild. St Nicholas Peck and his Companions. The Marquis of Gorcum (Holland) and St Veronica de Julians.

Lectures

National Gallery: Stella Gambing, "In the Family (II): Belfast and Manchester, The Agency in the Garden", 1pm. Victoria and Albert Museum: Caroline Rinaldi, "Blue and White Ceramics (I)", 2.30pm. Tate Gallery: Jason Rosenfield, "Visual and Narrative Complexity in Victorian Painting", 1pm.

Changing of the Guard. The Household Cavalry Mounted Regiment marches to the Queen's Life Guard in Horse Guards, 11am. In the Royal Mews, the Queen's horses are groomed. The Queen's horses are groomed. The Queen's horses are groomed.

Butterfly knife made for causing injury to the person

LAW REPORT

9 July 1997

Director of Public Prosecutions v Hynde, Queen's Bench Divisional Court (Lord Justice Henry and Mr Justice Gage) 3 July 1997

A butterfly knife was a dangerous weapon *per se*, being made for the purpose of causing injury to the person. The Divisional Court allowed the Director of Public Prosecutions' appeal by way of case stated against the decision of the Stipendiary Magistrate at Uxbridge Magistrates' Court, dismissing a charge that the respondent, without lawful authority or reasonable excuse, had with her in an aerodrome in the United Kingdom (Heathrow) an article, namely a butterfly knife, made or adapted for causing injury to the person contrary to section 4(4) of the Aviation Security Act 1982.

Nicholas Coleman (CPS) for the Director of Public Prosecutions; the respondent did not appear and was not represented.

Lord Justice Henry said that knife in the present case fitted the description in the Schedule to the Criminal Justice Act 1988 (Offensive Weapons) Order 1988 (SI 1988/2019), to which section 141 of the Act applied. Section 141 provided that any person who manufactured, sold, hired, lent or imported such a weapon was guilty of an offence. It did not, however, cover the offence with which the respondent had been charged, simple possession of "certain dangerous articles" under section 4 of the Aviation Security Act 1982. The articles to which that section applied included those "made or adapted for use for causing injury to or incapacitating a person... or intended... for such use". The issue was whether the

knife was made for causing injury to the person.

The Crown had sought to prove that simply by producing the knife and referring the magistrate to section 141 of the 1988 Act and the statutory instrument made thereunder. They had submitted that as section 141 forbade, *inter alia*, the selling or hiring or lending of butterfly knives, it was appropriate to infer that a butterfly knife was a dangerous article as defined in section 4 of the Aviation Security Act 1982.

The magistrate was not persuaded, and had posed the following question for the court: Whether, on the facts found, I was correct in holding, as a point of law, that evidence or further evidence was required to establish that a butterfly knife was an article made or

adapted for use for causing injury to or incapacitating a person?

The starting point for the legal analysis was *R v Williamson* (1978) 67 Cr App R 35, in which Lord Lane CJ had emphasised the three categories of dangerous or offensive weapons wrapped up in the statutory language, and that it was a matter of fact for the jury whether the weapon fell into any and if so which of those categories.

The similarity between a flick knife and a butterfly knife was clear from *Gibson v Wales* (1983) 76 Cr App R 60. The conclusion in that case, which *mutatis mutandis* could be extended to butterfly knives, was that a flick knife was a dangerous weapon *per se*.

That case was considered in *R v Simpson* (1983) 78 Cr App R 114, in which the Court of

Appeal found that such weapons were

plainly designed... to be concealed conveniently in the hand or in the pocket and there concealed to be brought into use with the minimum delay to the assailant and the maximum of warning to the victim. By their very design in this way they betray the purpose for which they were made

and that the conclusion that a flick knife was necessarily made for use for causing injury to the person was matter of which judicial notice could be taken. Just as the courts had taken judicial notice of the fact that flick knives were offensive weapons, butterfly knives should also be so treated, because it was clear that they were essentially the same weapon involving the same features of concealment, speed and surprise. The magistrate could and should have taken judicial notice of that fact.

Kate O'Hanlon, Barrister

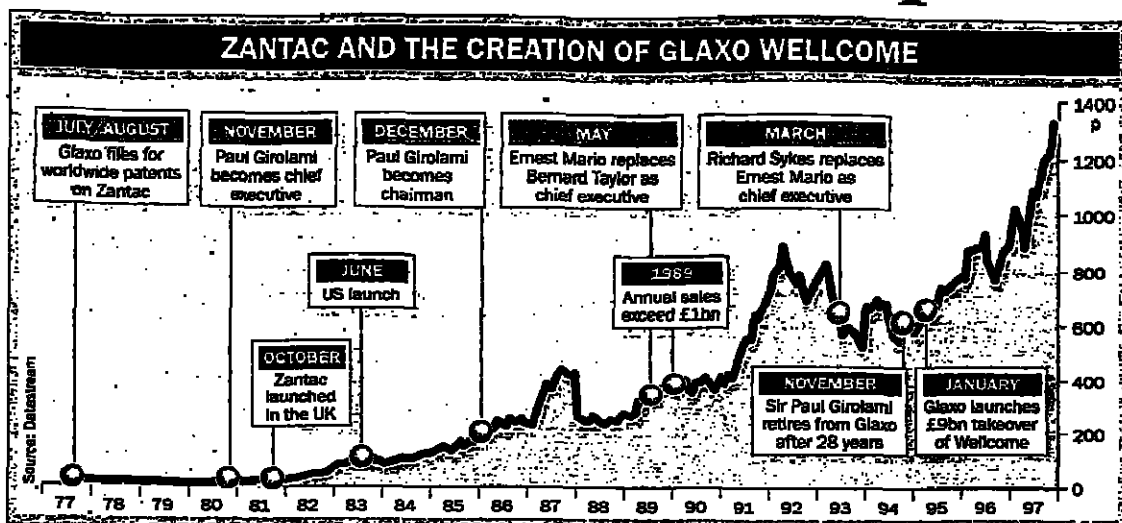
End of Zantac era is a bitter pill for Glaxo

For Glaxo Wellcome, today marks the end of an era. This is the day that Zantac, the ulcer drug that turned the company from an also-ran into a pharmaceutical colossus, finally loses its protection against generic competition in the US, the world's biggest healthcare market.

Novopharm, the Canadian group, has fought a six-year legal battle for the right to sell its version of the drug, and will this morning begin selling its tablets for at least 30 per cent less than Zantac. Through a deal struck in April, Novopharm has a 16-day window before the expiry of Glaxo's patent allows other generic rivals into the market. While Novopharm hopes this slim advantage will let it seize a 45 per cent market share, Glaxo is already resigned to the loss of 80-90 per cent of Zantac's sales, which were \$1.6 billion (£975 million) in the US last year.

It is hard to overstate Zantac's importance to Glaxo Wellcome. Pre-Zantac, Glaxo did not have a US business. Since the drug's UK launch in 1981, it has run up total sales of almost £19 billion. It was the world's biggest-selling pharmaceutical for a decade, only recently being overtaken by Astra's Losec, another ulcer drug. This enormous success allowed Glaxo Wellcome to plough huge sums back into research and development, producing the pipeline of new products which led the recent sharp rise in the share price.

Remarkably, Zantac was essentially



a "me too" product — it uses the same biological mechanism that is behind Tagamet, an earlier drug based on the work of Sir James Black at SmithKline & French in the 1970s. Sir David Jack, Glaxo's former head of research, has readily admitted: "All the original thinking had been done by Jim Black."

Matthew Lynn, in his book *The Billion Dollar Battle*, argues that Zantac's greater financial success can be attributed to three bold decisions taken by Sir Paul Girolami, then Glaxo's chairman, who retired in 1994. The first was to back Sir David in the costly parallel development of Zantac, short-circuiting the tortuous

development process by carrying out several stages at the same time. The second was to launch the drug in every main market more or less simultaneously. Glaxo was able to establish itself in the US thanks to a co-marketing deal with Roche, which had capacity to spare after the collapse of Valium sales.

But the riskiest move — which Lynn says Sir Paul forced through in the face of significant internal opposition — was to make Zantac more expensive than Tagamet. The premium price helped to give doctors the impression that Zantac was the better drug. Tagamet's earlier launch also helped,

since its side effect profile was much better known. Zantac captured a 12 per cent share of the US anti-ulcer market within a month of its launch. Total sales climbed above £500 million in 1986, passed through a £1 billion in 1989 and through £2 billion in 1993.

Sir Paul's ambition was to overtake Merck of the US to become the world's biggest drug company. This goal was finally achieved only months after he stepped down from the board, when Glaxo made its £9 billion takeover of Wellcome. The deal was also needed to allay investor concerns that Glaxo had become overly dependent on its star product. Glaxo Wellcome is extremely

cagey about its plans to cope with Zantac's unbranded rivals. The deal with Novopharm may help, by limiting the number of competitors, and hence restricting the damage caused by price discounting.

Besides Novopharm, four other generic drug makers have made plans to sell ranitidine hydrochloride, as Zantac is chemically known. But Leslie Dan, Novopharm's chairman and chief executive, doubts whether all four will get their drug to market.

Glaxo Wellcome may also try to claim that the "form 2" ranitidine that it sells as Zantac is superior to the "form 1" available from the generics. The patents over "form 2" do not expire until 2001 — the nub of the legal battle with Novopharm.

Dick Findlay, pharmaceutical consultant with AT Kearney, said the real interest for the drugs industry will be to see whether the ranitidine generics eat into the sales of Tagamet and its generics. Drugs with \$21 billion of annual sales lose patents in the next few years and such cannibalisation could cause the industry huge problems.

Boostered by Glaxo Wellcome's recent briefing on its new product pipeline, the City is ignoring such worries. Despite the impending loss of Zantac sales, the company has been one of the market's best performers this year, and is now valued at £47 billion. That's a lot of tablets.

PAUL DURMAN

Betrayed by Anglo-Saxon attitudes

John Prescott would love to take a positive lead on traffic in towns. Instead of baiting motorists to little effect, how much better to launch a partnership between government and business to develop affordable electric/petrol cars that emit no fumes in cities. Sadly, he cannot do this.

There is a thriving motor industry in Britain, but no British motor industry to speak of for Mr Prescott to do an authoritative deal with. His opposite numbers in America, Japan, Germany, France and Italy can, and in some cases are taking initiatives, though European would ultimately need Union support. Mr Prescott must hope Britain will benefit from their efforts.

Much is rightly made of losing sovereignty to European institutions. Losing domestic control of industries saps ministers' powers in no less vital ways. Perhaps Britain deserved to

lose its motor industry. Lord Young's "everything must go" sale of Rover to British Aerospace and its resale to BMW, when BAE was short of cash that year, wrote the coda for a long drive.

This week, GEC's new managing director revealed that he found the joint venture culture latterly built by Lord Weinstock uncongenial. A few deals on, George Simpson's distaste will surely lose Britain several other key industries: power plant, public transport equipment and, like as not, telecom manufacturing.

Control will hand the future of lean-burn generation, railways and much else to others: mainly French and German. That may not be the way GEC sees it, but how it is likely to end up.

Managerial whim chimes with a City obsession for cash-in-hand that will intensify after the Budget dividend grab. Analysts quickly reimagined Mr Simpson's dull ideas into the asset-stripping exercise they perennially favour, in the guise of "improving shareholder value".

Mr Simpson says GEC should get closer to its customers. If he wants to stay in defence electronics, the top customer is the public, represented by min-

isters. Customers need have no qualms about using buying power to to back ways about GEC plans.

The securities business too is rapidly passing out of British hands. The Bank of England and the City establishment carry the blame for being too myopically craven to see the consequences of allowing Earnings to fail. City bigwigs now claim it does not matter who owns global investment banks and traders so long as they operate in London. Others clearly take a different view.

In France, state-owned Credit Lyonnais expanded so recklessly that losses may cost French taxpayers £15 billion. For this, they own a bank worth about £2.5 billion. To the fury of rivals, however, successive final subsidy packages leave largely intact the group's expensively acquired international network of subsidiaries, including a respected London securities firm. If

Credit Lyonnais represents French statism at its worst, Anglo-Saxon attitudes are as bad. National Westminster made £5.4 billion profit over the past four years and its shares beat the index, average, but it was running out of steam when its accident-prone investment bank suffered a £77 million blow. The City concluded that Natwest is not viable as an independent concern. Natwest Markets, which made £200 million last year, has to go.

Any sale of NWM is likely to be overseas, unless it were bought by Barclays's BZW, which would become the only UK investment bank. That may happen. But voices are already urging Barclays to dismember itself. UK investment banking may well go the way of motors.

Meanwhile Mr Simpson, along with the board of Guinness and others, have signalled to the rest of the world that British groups cannot be trusted in long-term joint ventures, for instance in defence. Sooner or later, the Brits will see their share as a non-core interest to be cashed. Mind you, as Guinness's partner Bernard Arnault knows, that makes the British a good partner if your ultimate aim is to take control of another of their sensitive industries.



GRAHAM SEARJEANT

Pigtown provides salutary lesson for Brown's Welfare to Work

In Pigtown, one of Baltimore's decaying neighbourhoods, they haven't heard of Gordon Brown. But they know what they think of welfare to work schemes of the kind celebrated in last week's Budget: more trouble than they're worth.

Nominated as a government "empowerment" zone, Pigtown offered PTP, a manufacturer of plastic packaging, tax credits to take on workers for assembly line jobs. Braced for higher turnover than usual, PTP was still unprepared for the deluge of absenteeism and drug and alcohol problems. Within three months, more than half of the new staff had left or been sacked; a year later, less than a quarter remained; two customers had also left. PTP has since filled vacancies with Vietnamese workers, even though it gets no subsidy for them.

Despite such tales from the New World, and there are many, Mr Brown's plans to spend £3.9 billion over five years on getting the unemployed back to work are inspired largely by the revolution in the United States welfare system. He is right that the dramatic fall in the US welfare rolls does offer grounds for believing that welfare to work schemes work. But the US experience — and the chronicles of places like Pigtown — also suggest that Mr Brown's schemes may not do more than scratch the surface.

The 62-year-old US welfare system formally died on July 1, one day before Mr Brown's Budget, when controversial new laws gave states the right to design their own plans to get the unemployed back to work. Most, in fact, had jumped the gun under special waivers; the earliest schemes began a decade ago.

The most important lesson from the US experiment — and the most often missed — is that welfare to work schemes soak up a great deal of money over a long period before they begin to yield savings. Congressional rhetoric is utterly deceptive on this point: both Democratic



AMERICAN AGENDA
BRONWEN MADDOX

critics and Republican supporters tend to focus on the cuts in spending, and the harshness of the "guillotine" that will eventually cut off benefits entirely from people who do not work, a measure so far considered politically unacceptable in the United Kingdom.

In fact, the hidden truth of the US welfare to work experiment is that it is costing a fortune in childcare, training and other subsidies: between \$7 billion (£4.3 billion) and \$9 billion a year in federal government and state money for at least the next five or six years.

The largest injection has come from a quirk of the new legislation which has given state governments a windfall of federal money. Federal grants to the states for the next five years were set on the basis on the numbers of people receiving welfare in the past, although those numbers have now fallen, in some states by 40 per cent, the payment remains unchanged.

Robert Lerman, of the Urban Institute estimates that this year the windfall is worth about \$2.5 billion to \$3 billion. He believes that it is clear that most of the added money is going into welfare to work and schemes to help immigrants hit by the new legislation. In addition, he reckons, state governments are spending between \$500 million and \$1 billion of their own money on the schemes.

Contrary to the headline rhetoric of its leaders, Congress has also committed \$20 billion over six years for childcare. The final versions of the 1996 budget, being thrashed out in Congress this week, add about another \$1 billion in tax credits and maintain about \$1 billion for training in basic skills.

In comparison with that spending, Mr Brown's plans seem like small beer. True, he wants much of the spending targeted at just 200,000 of the young unemployed. In contrast, the US programmes are directed, in theory, at all of the 3.7 million households receiving benefits, although



The New Deal and welfare took millions off the scrapheap after the Depression

in practice a minority attracts most of the effort. But unlike Mr Brown's injection of funds, financed by a one-off tax on privatised utilities, the US efforts, which have built up over years, will continue at this level for the best part of the next decade.

The second factor that might give Mr Brown pause for thought is that the US has largely turned its back on using training and education to address unemployment. In sharp contrast to programmes a decade ago, state governments now believe that those who take even a low-paying, dead-end

job are more likely to establish themselves in the workforce than those given months of training. They therefore prefer to pour the money once earmarked for skills courses into childcare and anything else that makes it easier to get someone out of bed and at the employer's door by 9am. New Jersey has created a \$3.7 million transport fund to get new employees to jobs. Many cities have started clothes collection schemes to give prospective interviewees smart clothes, although with mixed success; women donating the clothes tend to be size 10

or 12, whereas those needing them are often sizes larger. Despite such occasional misjudgments, the message is clear: investment in the practicalities of getting people to work does pay off — and the schemes can years before they run smoothly. There is nothing approaching the intricacy or scope of these plans in Mr Brown's Budget.

The third lesson from the US is that the state of the economy matters more than any other factor. President Clinton's own advisers give the welfare to work programmes credit for only a third of the fall in welfare rolls; the strength of the economy, they reckon, has accounted for 40 per cent. Even state governments most passionately committed to the reforms pause when asked whether a recession would return all those squeezed into jobs in fast-food restaurants to the welfare rolls. It must be a concern that Mr Brown is embarking on his experiment much later in the economic cycle.

Every critic of the US reforms points out that they are harsher than would be tolerated in many other countries. If the guillotine on benefits is widely enforced, it will cause real hardship to many people, although the ability of welfare recipients to move across state borders in search of a more lenient regime provides a thin cushion which is often forgotten.

But those draconian measures, for the most part, have not yet taken effect. The real lesson from the US is not that welfare to work works only with severe incentives, but that it takes far more money and time than reformers' rhetoric would have you believe. Even then, as Pigtown shows, it does not make Abraham Lincolns out of drug addicts. It is not that Mr Brown's vision has no foundation. But if it fails, it is less likely to be for its lack of American harshness as for lack of money, time and ambition.

Motor head

ROB GOLDING, the highly rated motors analyst who edited SBC, a return to the end of last year in a blaze of anonymity, has lined up his first job. He becomes non-executive director of the Car Group, the go-ahead used car supermarket business. Golding had wanted to take a year's sabbatical, something Warburg used to have no problem with but which was causing enormous hassle with new owners SBC. So he went anyway. "I was fairly confident that if I wanted to go back to the City, there would be an opening," he says. "I am pretty decided not to do

anything by way of full-time work before the end of this year." And then a return to the City? "I don't want to think about it — I would prefer to see what happens." His hiring, on the normal non-executive salary of £20,000, is a coup for the Car Group, but a logical one. Golding has always been highly critical of the daft and outdated franchise system that still governs the purchase of cars.

●VOLVO is to take over the Whitbread Round the World yacht race, sponsored by the brewer since its launch 25 years ago. Thanks to the genius of the marketing boys, the race in September has a snappy new name: the Whitbread Round the World Race for the Volvo Trophy. I understand that in future the boats will be very slow, but very, very safe. And the captains will all be required to wear felt trilbies.

Early break

MARTIN LATHAM, head of compliance at James Capel and more latterly at HSBC's various offshoots, is taking early retirement at the end of the month, days after his 55th birthday. "I've been at James Capel for 24



years, nearly. I've done five years as head of compliance. It's been challenging, it's been enjoyable — and it's worn me out." He has, wisely, brought his successor in first, Catherine Farquharson, a former compliance director at Warburg.

"Is 55 early?" he muses. "It's a pretty high stress job being head of compliance for a large organisation." The future promises a bit of consultancy work for HSBC. Latham enjoyed, if that is the word for anyone in the sensitive world of compliance, a brief moment of fame in February 1995, during the Karen Morgan Thomas affair. This never satisfactorily explained business had to do with some purchases by a former Capel employ-

ee of that name of shares in Anglia TV ahead of a takeover bid.

Hardest cut

TODAY sees the end of an anxious wait for Peter Phillips, founder of accountants Buchler Phillips, to see if he will receive the entire £1.1 million he billed for his work liquidating the estate of Robert Maxwell. Phillips was attacked by the House of Commons Social Security Select Committee for charging this for work that realised only £1.2 million. Today the High Court will rule on the matter. Given his firm's reputation for high charges — just ask Millwall fans — there will be few tears shed if the court insists on a heavy discount.

●PENSIONS firms beaten over the head by Treasury Minister Helen Liddell have acquired a nickname. In contrast to all those building society carpetbaggers, they are now known as the handbaggers.

Job lot

TONY HALES at Allied Domecq probably needs all the help he can get after the rough ride the group has had over the past five years, but yesterday's publicity stunt smacks of desperation. Cue huge fanfare: Allied is spending £150 million on its pubs,

and creating up to 11 always like that "up to"; mathematicians will tell you it includes the number zero) 4,000 new jobs. Much frenzied babbling about the massive impact the investment will have on job creation.

Is this in some way related to the £150 million investment Allied announced in March 1996, which was to create 7,500 jobs? It is in any way related to the normal process of investment which goes on of necessity at any business? These extravagant philanthropic claims from publicans and supermarkets are becoming tiresome. Desist.

MARTIN WALLER



Hales: song and dance over £150 million investment

QUITE
SIMPLY, AN
OUTSTANDING
PENSION

A Merchant Investors pension is an easy, convenient and flexible pension.

The charges are low.

You can vary your contributions without charge.

Pay no commission when you buy direct.

No sales person will bother you.

Merchant Investors Assurance

Regulated by the Personal Investment Authority and part of Alliance — one of the world's largest insurers.

Mail this coupon to: Merchant Investors Assurance Company Limited, Freepost BS 6013, Bristol BS1 2LZ.

MR / MRS / MS (please circle as appropriate)

INITIALS SURNAME

ADDRESS

POSTCODE

Are you EMPLOYED or SELF EMPLOYED? (please circle)

IF EMPLOYED, are you in your company pension scheme?

YES or NO (please circle)

CALL NOW ON
0800 374857
FOR A BROCHURE

Energy in Taiwan venture

The Energy Group is putting nearly £100 million into the development of a coal-fired power station in Taiwan.

The company, which is soon to be bought by Pacificorp, the US group, pending Department of Trade and Industry approval, is taking a 30 per cent stake in a joint venture with Full Power and the China Development Corporation. The Energy Group will have full operational and maintenance responsibility.

The full cost of developing the power station is expected to be £330 million. It is scheduled to be commissioned in 2001.

RPC rises

RPC, the packaging company, reported a pre-tax profit increase from £8.6 million to £10.5 million in the year to March 31. Earnings per share went from 10.2p to 11.5p. The dividend was raised from 3.5p to 4.2p and the final dividend of 2.5p, up 0.2p, will be paid on August 14. The company gave warning that it expects costs of at least £300,000 next year because of environmental legislation. These could continue at similar levels until 2001.

Approval

The Building Societies Commission yesterday formally gave the go-ahead for the takeover of Bristol & West Building Society by Bank of Ireland. The £600 million deal will benefit more than one million Bristol & West members, who will receive windfalls of either cash or preference shares.

Farepak jump

Farepak, the mail order and network marketing distributor, raised pre-tax profits 13 per cent to £8.9 million. Earnings rose 11.1 per cent to 25.16p and the total dividend is 9.9p after a final 7.15p (6.35p).

Deal agreed

United Drug, the Irish pharmaceutical company, has reached agreement to acquire Dublin Drug, a smaller competitor, subject to regulatory approval.



Ian Fox, finance director, David Kendall, chairman, and Nick Brayshaw, chief executive of Wagon Industrial, yesterday sold their retail division for £33 million. Pre-tax profits dropped by 24 per cent to an expected £20.2 million and the total dividend falls to 12p from 194p.

London exchanges discount Continent's threat to City

By OLIVER AUGUST AND ADAM JONES

THE London stock and futures exchanges yesterday denied that new co-operation agreements between bourses on the Continent are a threat to the City's dominant position in Europe.

The stock exchanges in Frankfurt and Paris will trade from a single screen from the middle of next year and futures exchanges in the two

cities will create a new European share index by the end of this year, which may be called the Eurax.

Gavin Casey, chief executive of the London Stock Exchange, said: "They have talked about co-operation before, but quite often co-operation doesn't work. While there is always some kind of threat, London remains the equity centre of Europe."

Daniel Hodson, the Liffe chief executive, agreed with

Mr Casey that the growing consolidation of European markets and the introduction of a single European currency would not damage Britain even if it stayed out of EMU.

He said: "Whenever the [European] exchanges attempted an attack on us, they have failed. We are very powerful competitors to any Continental alliance."

Mr Hodson pledged that Liffe will retain its traditional dealing pit for the foreseeable

future, responding to speculation that electronic trading would gradually take over. Frankfurt trades electronically and Paris is said to be planning conversion to electronic trading.

The Liffe commitment comes as part of a five-year strategy, announced yesterday, which will see £100 million invested in upgrading dealing systems. Liffe currently uses screen-based trading for Japanese bonds and

general out-of-hours deals only.

Mr Hodson said that open outcry provided greater liquidity and a wider range of dealing options, as well as being easier to regulate.

All existing technology will be upgraded by the exchange and a new-generation electronic trading platform will be developed to handle after-hours trading in financial futures contracts within the next two years.

Jörg Franke, a board member of the Frankfurt futures exchanges, was in London yesterday to "find some business". According to Herr Franke, Frankfurt's electronic trading system is much cheaper for participants than London's open outcry system. He said: "The London markets are bit like tennis at Wimbledon. It is the most respected venue in the world, but the English can never win."

Jean-François Theobald, president of the Paris bourse, said: "We are London's friendly competitors, like we are in rugby. A more unified market will mean that we will get more business."

Cammell Laird price set at £21.2m

By OLIVER AUGUST

CAMMELL LAIRD, the shipyard engineers, will be capitalised at £21.2 million when its 7.5 million shares are floated on the Stock Exchange at 100p on Monday, according to the prospectus.

The £4 million raised will be used to increase investment at its dockyards at Birkenhead in the North West. Six directors will share £3 million.

Cammell Laird said the list-

ing would "raise the profile of the group, enhance its reputation both with its customers, suppliers and in the communities it operates and incentivise management and employees by giving them the opportunity to participate in the ownership of the company."

The company said pre-tax profits had grown to £2 million (£700,000) in the year to April 30. The flotation price

values the company at 12.1 times last year's earnings.

John Stafford, the chief executive, owns 38 per cent of the shares, valued at £8 million. He said: "The group has already had a very strong start to the year, having won its first military contract from the Ministry of Defence."

The group, which expects dealing in the shares to begin on July 14, highlighted the

restoration of two dry docks that are expected to significantly boost profit growth when they come on stream later in the year.

Cammell also said it has gained a conversion contract from Falcon Drilling Company Inc in Houston, an operator of oil exploration and extraction vessels. Cammell said the contract was one of the largest it has undertaken.

Honours for a top career

Ed Smith explains what is required to keep attracting the best graduates

As the next wave of university students await their exam results this month, it is worth taking stock of how new graduates view the accountancy profession as a career option.

To remain competitive in the constantly evolving and complex graduate recruitment market, we must continuously review our profile among students and strive to stay in tune with their thinking. A recent international survey of 1,200 students in ten countries showed that we are having to compete with other management consultants and with investment banks to attract the brightest and best. Some 74 per cent of the students responding to the survey majored in audit and accountancy, but many displayed a high level of interest in sectors other than our own.

Clearly, the accountancy profession must stay on its toes to maintain its success in attracting the top graduates that it needs and deserves, even in the face of attractive careers elsewhere. We must work hard to align perceptions about us with the reality of what we offer to those high-calibre graduates who are able and willing to take their seats with us at the top table in business.

To achieve this, we must position ourselves as the profession of choice for the top talent on our campuses. But

how? The survey showed that a "balanced lifestyle" is the top priority for students choosing a career. Here are some of the ways the accountancy profession can demonstrate how it meets this need.

□ Technology has revolutionised the way we work, taking away much of the labour intensive hard graft and freeing people earlier in their career to focus on aspects of auditing, risk management and business advice that add value to our clients' businesses.

□ We have always offered challenging opportunities and a much greater variety of roles and assignments than, say, banks or law firms. Our move towards more distinct specialisms in areas such as forensic accounting, corporate finance and consulting services provides an even greater range of options for ambitious young professionals.

□ Equally, we can offer real opportunities for qualified professionals to work abroad, either on client assignments or on secondments to our member firms overseas. Strategy consultants, lawyers and bankers might have representative offices scattered round the world, but none comes close to the near global coverage of large accountancy firms.

□ Career development is no longer geared towards a rigid career path taking a graduate



Ed Smith wants a continuous review of the profession's profile

through an accountancy training contract and on to partnership. Now our people can choose to move upwards within a particular specialism, or move laterally around the firm, take a career break, go on a client secondment or work part-time for a period. Provided people are committed to life-long learning and prepared to be flexible in matching their career aims to the needs of the business, they can map out their own personal route to achieving the right balance. Indeed, increasingly, people who leave our firm for a change are returning to us after a couple of useful years developing new skills with another employer, ready to add a new perspective to the way they service clients.

□ Our traditional focus on hours when pricing or remunerating staff is making way for charging clients and re-

warding staff in return for the value that is added. This way we hope people will focus on their outputs rather than their inputs - working smarter, not harder, and getting home in time to pursue other activities.

After a balanced lifestyle, the survey indicated that students want a career with a sound financial base. A high proportion of main board directors in the UK are qualified chartered accountants. Their early training taught them the disciplines of business and gave them a qualification that is recognised worldwide. Their early work experience taught them the mechanics of business, and skills in technology, networking, people management, and leadership that set them up for life and gave them more financial security than most.

Our profession is always in future investment mode. (Coopers & Lybrand, for instance, took on 600 graduates a year through the last recession.) We may not match the start-up bonuses in the City, but we can offer competitive packages, a fantastic qualification for business and a varied career, including options for those with global ambitions.

These are some of the ways that we can appeal to the brightest and best graduates. But there is no room for complacency and we should already be reviewing the key messages that we want to relay to next year's graduates.

Ed Smith is Head of Strategy, Business Assurance, Coopers & Lybrand.

No simple answers to tax avoidance

THERE is nothing a politician likes better than something that sounds unarguable. So Gordon Brown's announcement last week that he had "specifically asked" the Inland Revenue, "to consider a general avoidance rule" sounded decisive. In the context of his clarion call a moment earlier in his Budget speech that "a Government committed to the proper funding of public services will not tolerate the avoidance of taxation and will be relentless in its war against tax avoidance", it sounded even better.

And it passes the traditional London cabbie's "it stands to reason" test. Any tax evaded creates a liability elsewhere in the form of a worthwhile project that, as a consequence, will lack funding.

But things in the tax world that sound simple always turn out to be complex. "It would be really nice to have total clarity," said one tax expert this week. "But 2,000 years' experience of tax systems suggests otherwise."

There is a hint that even Brown himself understands this. Hence the proposal to set up a working party to look into the idea of anti-avoidance. Working parties are what you set up to buy time. They are not set up to provide decisive action.

And it is not as though this has never been looked at before. As John Andrews, of Coopers & Lybrand, this year's president of the Chartered Institute of Taxation, said: "The Inland Revenue have been looking at anti-avoidance for years. Every two years it is brought out of Pandora's box, looked at, and then put back again."

The Budget announcement doesn't make sense. There should be no need for a review. The Inland Revenue should be able to reach out a hand and pull some dozen or so ideas and proposals off their shelves.

But the stumbling block is exactly the same certainty and seeming simplicity that makes the idea attractive to politicians in the first place. Any general anti-avoidance proposal or legislation can only end in increasing uncertainty and litigation. This is exactly what has happened in other countries where such efforts have been made, such as Australia and New Zealand.

The difficulty is that anyone who organises their own tax affairs will find that there can be several different ways of doing so. The argument is that if you do not choose the one that ensures that you pay the most tax you

are, theoretically, avoiding tax. "Quite right," says the voice of reason.

But life doesn't work like that. John Andrews is fond of the example of the buying of drink at Christmas. He lives in Kent and so has two choices. He can drive to his local Tesco and buy £300 worth of what he needs. Or he can take up the £5 fare offer from Sealink and pop across to the Tesco in Calais and buy precisely the same stuff for about £100. Given the choice and the time, that is what the average citizen would do.

But, as Andrews points out, "in doing so I have knowingly avoided the government tax by an artificial measure". The problem lies in the seeming simplicity of the test of avoidance. No one really minds when some of the grand old tax dodges like the famous "Sark Lark" of the 1970s, which involved a complex sequence of document signatures and the Channel Island ferry timetables, are outlawed. If someone is doing ludicrous things and so avoiding tax, then it should be classed as evasion. But where is the line between nefarious complexity and innocent simplicity to be drawn?

You could create a system that allowed pre-transaction judgments. However, that is not likely to work either. A company on the verge of a takeover is not going to get an instant decision from the Inland Revenue on which might be the approved method of the five possibilities for the new organisation's structure.

In the end, the sheer complexity of the tax system will always defeat efforts at creating generally applicable rules. The only other alternative, much supported in places such as Hong Kong,

is to reduce tax rates until no one minds paying up anyway. Meanwhile, the Chancellor would be better employed looking ahead to his spring Budget. The word in the tax world is that with tax forms and software systems so complex, any changes in personal tax rates that Brown would like to announce next March could not come into force in the 1998-99 tax year. As I have suggested here before, systems and software are what now drive tax regulations. Software houses have been given assurances that six months' notice will be given of any changes. And self-assessment systems mean that changing those multi-coloured, multipart forms takes just as long. Simplicity versus complexity: there are no simple answers.



ROBERT BRUCE

Tripped up by Dame Sheila

THE concept of the corporate awayday is an attractive one. It conjures up a vision of senior chaps brainstorming their way through a very pleasant stay at some luxury hideaway in the Cotswolds, far removed from their busy office lives.

The English ICA thought so too. Recently its three current office-holders decided an

ANY OTHER BUSINESS

Show blow

KPMG booked a box at the new Globe Theatre last week and embarked on some highly effective corporate hospitality. The only problem is that in a reconstructed Elizabethan theatre the sightlines are not necessarily perfect. Apparently some of the action was ob-

scured by the very large pillar holding up the roof. But what they could see were the words emblazoned on the back of the pillar: "Sponsored by Price Waterhouse."

Ice age on way

THIS week the World Trade Organisation announced guidance for reciprocal recog-

nition of accountancy qualifications worldwide. There is obviously a reciprocal deal in accountancy membership coming up between the English ICA and the institute of accountants in Reykjavik. In the members room at Moorgate Place there is an oddity among the copies of magazines held there to keep waiting guests awake. Iceland Review seems a puzzling subscription to have taken out.

ROBERT BRUCE

150 6 11 11

If Nato is to be bigger, will it also be better?

How odd, it may seem at first glance, that this week's Nato summit in Madrid should be proving to be so contentious an affair. After all, the alliance has comprehensively won the great Cold War confrontation for which it was created, without firing a shot. Now, in a historic redrawing of the European security map, Poland, the Czech Republic and Hungary, three members of its former Warsaw Pact foe, are poised to take part in the biggest single enlargement of Nato in its 48-year existence. Germany, cause of so much of the continent's misery this century, is about to be entirely surrounded by countries that are bound to it in voluntary alliance. Bosnia may still smoulder, but rarely in history has the risk of major conflict in the heart of Europe appeared so remote.

Enough, surely, for profound and unequivocal rejoicing. But not so. France is squabbling with the US over the distribution of power within Nato's command structure. The exact future mission of the alliance is uncertain. Above all, expansion is in dispute: not just the number of those to be admitted, but the very wisdom of the exercise itself.

Such, in a sense, are the problems of success. Winning the Cold War is indeed a hard act to follow. But the problems also reflect confusion and contradictions that, unless resolved,

could threaten the very future of the alliance.

Take expansion, the issue on which argument has been fiercest, and where the contradiction is most vivid. To reject the idea of enlargement, and thus limit Nato to its Soviet-era configuration, is to perpetuate Cold War thinking. And yet these first new admissions are taking place for the most basic of Cold War reasons: fear of Russia. Poland, the Czech Republic and Hungary admit quite openly that they are seeking membership to ensure protection from their giant neighbour to the East. And guilt at having failed central Europe, first at Munich and then at Yalta, is the prime reason the West feels it cannot deny that protection now.

"Would they die for Gdansk?" sceptics may ask of America's isolationists, in a foretaste of arguments that will certainly be heard when the US Senate debates the enlargement treaty. To which the correct reply is, would they die for Gaul, or Garmisch-Partenkirchen, or even Guildford? Happily Nato's core promise, that an attack against one member is an attack against all, has never been tested in a hot war. But it is, in reality, inconceivable that America would allow the new Europe to fall victim to an aggressor.

That is not the real case against expansion. It is, first, that it draws a new division of Europe between those who are in and those who are still out; and,

second, that it at best needlessly provokes Russia, and at worst provides a pretext for nationalists, xenophobes and others of an undemocratic bent to regain power in Moscow.

Both arguments have merit. If Poland, the Czech Republic and Hungary, then why not Slovenia, Romania, Bulgaria and the Baltic states? And why rub salt gratuitously into the wounds of a Russia that is in military and economic tatters, and is less of a threat to its neighbours than at any time since the 1917 revolution? It is easy, therefore, to sympathise with the impressive lobby of experts in the US

and beyond which insists that enlargement is the wrong idea at the wrong time, and that the three newcomers have better things to spend their money on than fancy military hardware from the US arms industry.

Now, however, debate has been overtaken by fact. With Russia's sulk-ing acquiescence Nato is expanding, and will expand further in the future - perhaps, one day, to embrace Russia itself. Lost amid the quarrel over numbers is the far larger question of what the alliance is for anyway, six years after the demise of the enemy that was its *raison d'être*.

The minimalist answer is that the alliance at least protects its members from each other and from themselves. The assertion holds up in part (almost certainly Greece and Turkey would have gone to war, had they not both belonged to the alliance since 1952); but only in part. Nato membership, it is claimed, is a certificate of good democracy. But it is not a certificate that anyone bothered to withdraw from the colonels who ruled Greece between 1967 and 1974. A more plausible guarantee of democracy would be membership of the European Union. Sadly, rich Western Europe has preferred to agonise over the search for a common currency, rather than throw open its doors to the aspirants from the East. But that abrogation of historic responsibility is another story.

Ever more probably, the military future of Nato lies as peacemaker and peace-enforcer. Thus far such activities have been confined to Bosnia, but with no mean success. Almost certainly this role will be extended outside Europe: indeed, under thin United Nations camouflage, it already has been, in Operation Desert Storm against Iraq.

But the line to be walked is very fine. The Gulf war had overwhelming international support. Under only slightly different circumstances, however, the alliance could be transformed into the military arm of Western liberal civilisation and its economic interests,

marching into battle against the forces of Islam or Asia. At that point, the interests of the US and some of all of its European allies might well part company, and the unique transatlantic common purpose on which Nato was built might be broken for good.

Beyond expansion, that is the real challenge facing the alliance; and therein may lie the crack that leads to its ultimate fracture.

Lace and bone for La Street-Porter

Wherever Diana treads, Janet Street-Porter shall follow. Well, up to a point. The former Princess of Wales decides to sell her frocks for charity, thereby scoring several points: the Queen of Pop TV sells them because she wants to clear out her wardrobe, no doubt to make space for some even wilder creations. She should pop over to way-out Parer just now, if that's her fancy, and pick up a few of those McQueen numbers doing the catwalk. Ms Street-Porter would look just splendid in one of those lace and bone numbers we pictured yesterday. The only question is, does the East End smart boy really mean anyone to wear these things, or is he just having a good giggle at our expense?

LETTERS TO THE EDITOR

Marching against civil rights

Sir: There can be only one basis for achieving long-term peace in Northern Ireland and that is an undeviating adherence on the part of the Government to the norms appropriate to a civilised society. Every time the British government abandons such norms, as it did this week in Portadown, it puts back the peace process and justifies new resorts to violence.

The crucial question for government cannot be "Who is likely to produce the most violence here and now?" but "Which violence is grounded in a just case, which in an unjust?" For 70 years our government has been intimidated by the threat of Orange violence. Until that is seen to end, it is utterly implausible to expect Catholics as a whole to back peace unequivocally.

On the one hand this basis dictates acceptance that the political status of Northern Ireland cannot be altered against the wishes of the majority; on the other it dictates no less emphatically that it is intolerable to impose on a group of citizens inhabiting a street a politico-religious demonstration alien to them.

The population of the Garvaghy Road had a perfect right to say no to an Orange procession and very good reason for doing so. The Government and police had a duty to uphold that right. The Orange Order had no right to march in such circumstances. Walking on the Queen's highway is a right, of which in point of fact the Garvaghy Road residents were temporarily deprived. Marching is never a right, only a privilege.

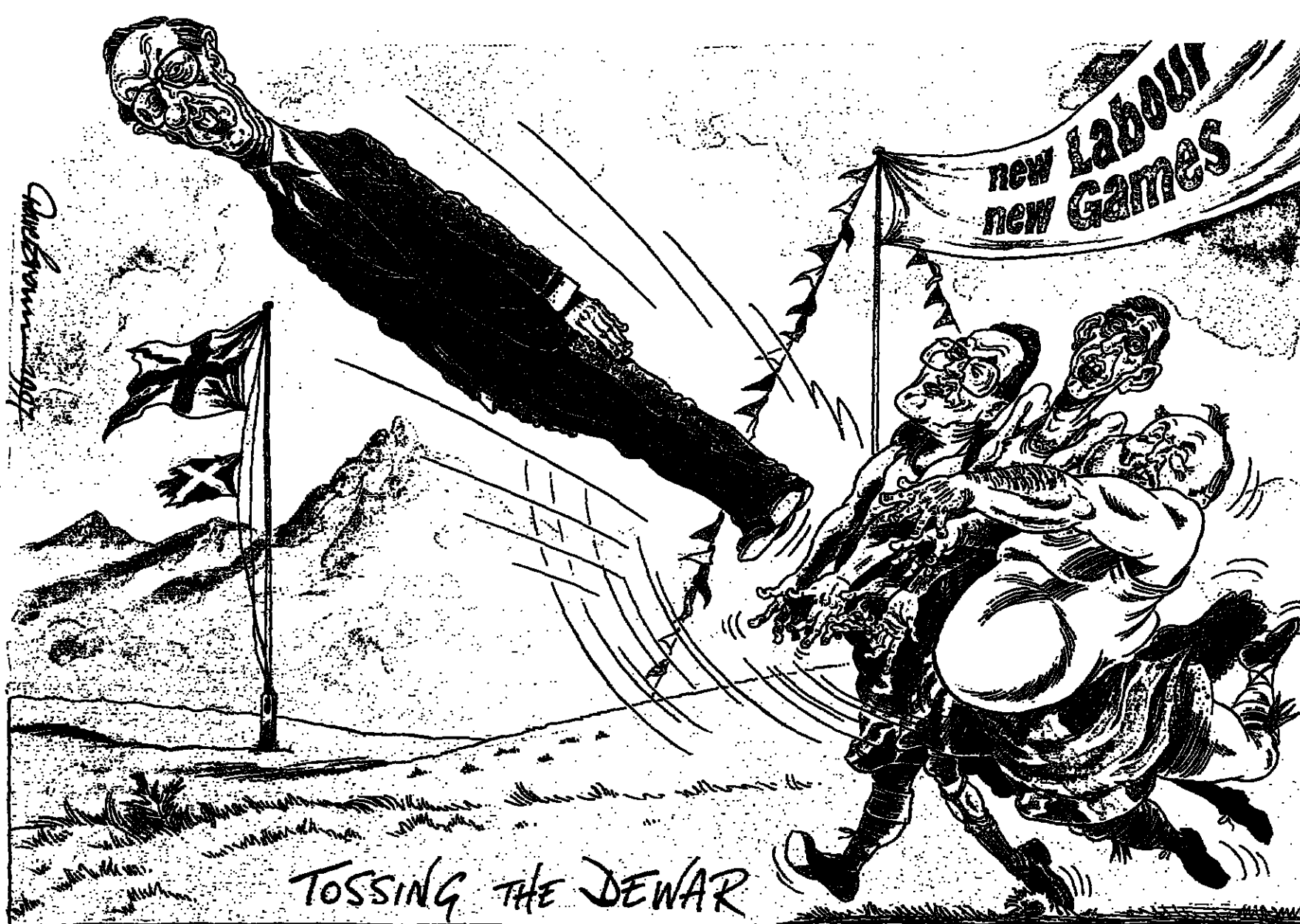
It is now a matter of urgency that a law be passed that nowhere in the United Kingdom will a private group be allowed to stage a political or religious demonstration down a street whose population has strongly objected to it. PROFESSOR ADRIAN HASTINGS Leeds

Sir: The decision by the Chief Constable of the Royal Ulster Constabulary to provide a heavily armed escort so as to make possible the Orange Order march through Portadown has highlighted, once again, the simple fact that Unionists support the link with Britain and wish British troops to remain in Northern Ireland to guarantee their permanent dominance there.

That being so it is clear that a continuing British presence and government from Westminster is not the answer to the problems facing the people in the Province but a major cause of those problems.

The best hope of peace must lie in the creation of conditions that would allow the communities in the North to determine their own future, and their relations with the Republic, within the island of Ireland, without the involvement of British troops and free from British jurisdiction. TONY BENN MP (Chesham, Lab) House of Commons London SW7

Sir: Miles Kington, in his column of 8 July, refers to the indifference of Republic of Ireland citizens to "wanting back" Northern Ireland. As a citizen of the Republic I could confirm such sentiments. I was brought up in southern Ireland in the early 1970s when the



Troubles were at their most intense. I have vivid memories of my father, a breakfast news gibbon, listening to his "wireless": strident, indignant voices from the North would pour out their well-rehearsed grievances. After ten minutes of this my father, nonchalantly switching off the set, would mutter, "There's no news", returning to his boiled egg.

In a recent discussion with a historian I cited the fact that a nationalist party (Aontacht Eireann or United Ireland) formed in the early 1970s in response to the Troubles, not alone failed to have any of their candidates elected, but all of them lost their deposits (not an inconsiderable feat under a PR electoral system).

"Ah," responded my historian friend, "you overlook the role of Fionna Fail (the mainstream nationalist party in the South) in accommodating Southern Irish citizens' grave concern over the North."

My father was the local Fionna Fail MP. THOMAS FMAHER London SW6

Sir: There is substantial respect paid to both the Unionist and nationalist traditions in Northern Ireland in the allocation of public holidays (letter, 8 July). Northern Ireland is the only place in the world where St Patrick is accorded a public holiday in his honour outside the Irish Republic, which is a recognition of the importance of the nationalist tradition. It is therefore only fair and proper that the majority community in Northern Ireland is accorded a similar recognition. PETER WALLACE London SE13

Help for the young jobless

Sir: It is vitally important that the Government looks wider than the Employment Service for partners in the delivery of the "New Deal" for unemployed young people.

The proposal for a "gateway" period in which young people will receive guidance and support prior to commencing the six-month employment and training options of "welfare to work" is important. However, many disaffected young people have had difficult experiences at Job Centres and careers services. I agree with Polly Toynbee ("Labour's Big Idea - will it really work?", 7 July) that individual attention is the crucial ingredient that will make the New Deal a success. The voluntary youth sector has a special expertise in the areas of mentoring, shadowing, and providing informal personal and social education to young people. Many of our 135 members, voluntary youth organisations as diverse as the Woodcraft Folk and the National Council of YMCAs, have strong local and regional structures which could be instrumental in establishing strategic partnerships. SUSANNE RAUPRICH Chief Executive National Council for Voluntary Youth Services London WC1

Sir: Polly Toynbee, writing on welfare-to-work, asks: "Why make

it compulsory, alienating the young instead of inspiring them?" Liberal Democrats are bound to wonder whether the answer is that Gordon Brown's newly tightened spending limits may make real quality impossible.

Opponents of compulsion may be asked: "Does the state owe us a living?" There is a good case for answering yes. The trade-off of citizenship is that the state owes us protection in return for our obedience. Since this includes protection against death from road accidents or food poisoning, why not death by starvation?

If the state deprives us of this protection then, in the very carefully chosen words of an MP speaking in the House of Commons on the eve of the Civil War: "The vigour and cheerfulness of allegiance will be taken away though the obligation remains." EARL RUSSELL Liberal Democrat Social Security Spokesman House of Lords London SW1

Towards a deal on Gibraltar

Sir: While one cannot but agree with Clive Cunningham's conclusion (letter, 5 July) that it is time to find a solution to the problem of Gibraltar and "let the ghosts of history rest in peace", the rest of his letter leaves one wondering whether he has actually ever been any closer to

Gibraltar than, say, Madrid.

The population of Gibraltar demand not their right to "remain British" but rather the basic democratic right to decide for themselves what their status should be - a right which Spain seeks to deny them by insisting that the question of Gibraltar is not one of self-determination but of territorial integrity.

It is Spain which chose to politicise the agreement on the use of Gibraltar's airport, not Gibraltar, which has no objection at all to common-sense arrangements for sharing the airport.

I do not know on what grounds Mr Cunningham concludes that Gibraltar can never be viable on its own. It is in fact perfectly viable if only Spain would stop its constant harassment and acknowledge the right of the people of Gibraltar to decide their own future. It may well be that, given the opportunity, they would welcome a status under the EU, rather than specifically British or Spanish auspices - but that must be for them to decide. BILL QUANTRELL Bradford-on-Avon, Wiltshire The writer was Deputy Governor of Gibraltar, 1988-90

Sir: Improved co-operation between Spain and Gibraltar could bring wealth to one of the poorest regions of Spain. This is the message the British, Gibraltarian and Spanish governments should be discussing.

The new government in Gibraltar needs the backing of the UK government to reach an agreement with Spain which would open up the airport. In exchange for Iberia and GB airways, providing flights to and from major Spanish cities, which would bring trade and prosperity to the area (together with a cessation of harassment on border crossings), the Gibraltar government should consider a major concession, such as direct access to the airport from Spanish territory, as is the case with Swiss and French airports.

Sovereignty is not the issue, however strongly politicians may wish to raise it when it suits them. This part of Andalusia has one of the highest unemployment rates in Europe and a successful and prosperous Gibraltar is in the best interests of Spain. ANTHONY STERN London NW11

Bank delays

Sir: Several friends of mine who work in banks have lost their jobs in recent years along with thousands of their colleagues. They are replaced by automatic systems based on computers. A computer can verify the state of my credit in seconds from a Tesco check-out desk.

Can anyone explain to me why a bank cannot verify the credit of a cheque I pay in to my account for what they euphemistically call four working days? The system seems classically designed by banks to hold on to money and gather its interest. MERVYN BENFORD Shiford, Oxfordshire

Mystery of the CD profits

Sir: Adrian Roudau (Letters, 4 July) ignores two things: that many CD albums now retail at £14.99 or more, and that the price of CDs should have fallen drastically over the past 10 years.

Back in the mid-1980s, the CD-player was an innovative niche-market item, available only to enthusiasts with several hundred pounds to burn. The CDs themselves were produced by a tiny number of manufacturers and subject to a premium price.

Today, the CD-player is a mass consumer product. The vinyl record has all but disappeared and the CD has become the dominant format. The unit cost of producing a CD has fallen to just a few pence. Somewhere in the chain between the artist and the listener someone is reaping the benefit of these economies of scale. BRIAN WRAY Stockport, Cheshire

No pill to cure unhappiness

Sir: Andrew Brown's article "Let them eat Prozac" (5 July) was another example of ignorance about mental illness. He talks about Prozac as if it was a recreational drug that can get one high. Antidepressants relieve symptoms of clinical depression - which has nothing to do with unhappiness. Unhappiness is part of the human condition and does not respond to antidepressant drugs. People seek relief more and more from unhappiness through the use of recreational drugs, most of which are known to be dangerous. Clinical depression, however, is a potentially life-threatening illness.

Andrew Brown might like to reflect on the fact that 2,000 people a day worldwide commit suicide. To link unhappiness and the pursuit of a pain-free world with clinical depression is another example of stigmatisation of those who suffer from mental illness. Antidepressants are not "happy pills". RICHARD HORNSBY London SW7

The Tito 'mole'

Sir: Your issue of 28 June, with "How Soviet mole united Tito and Churchill", has just reached me. James Klugman briefed me for my mission (Demagogue) to Serbia in June 1944 and I can only say his briefing was fair and balanced. He made no secret of being a member of the British Communist Party; after all, we were all on the same side then.

Incidentally, Fitzroy Maclean never himself thought Tito was a woman; that was a pishish suggestion by Evelyn Waugh. JOHN EARLE Trieste, Italy

Women's message

Sir: "Advertising to women is incredibly difficult," writes Simon Green in "Good Ad/Bad Ad" (7 July). He goes on to say that 90 per cent of advertising is written by men. Women are consistently recognised as better communicators, are the vast majority of (and the best) graduates in English. Now, doesn't the media industry have a little something to learn here? JUNE RABY London N19

the hunting debate

Who a hunt ban will really hit

As supporters head for a rally in London tomorrow, Charlie Pye-Smith says outlawing their pastime would punish not an élite but the many rural workers whose jobs depend on it

"Hunting has provided me with a good living these last 20 years," says Ian

Adsett, who runs a livery yard in the Cotswolds and looks after horses for people who ride with the Beaufort Hunt. "If hunting is banned, it will have a serious effect on my business – and on my blacksmith, my vet, and my saddlers." His staff – most of whom are young and unlikely to find other work in the area – could lose their jobs and the local council would have to do without the thousands of pounds he pays in business rates. The village pub and local garage could also be hit.

By introducing a private member's bill to ban hunting, Michael Foster, Labour MP for Worcester, has declared class war on a sizeable chunk of the rural workforce. A ban will have a far greater impact on the lives and welfare of rural workers than it will on those for whom hunting is merely a leisure activity. Many of the former – grooms, horse dealers, hunt staff – will be forced out of the industry; the latter, in contrast, will mourn the loss of their sport, but not their livelihoods.

Until now, the lobbies that both exhort and support hunting have been reluctant to raise the issue of class, with all its connotations of cap-doffing and envy. The Bill will change all this, much to Labour's discomfort.

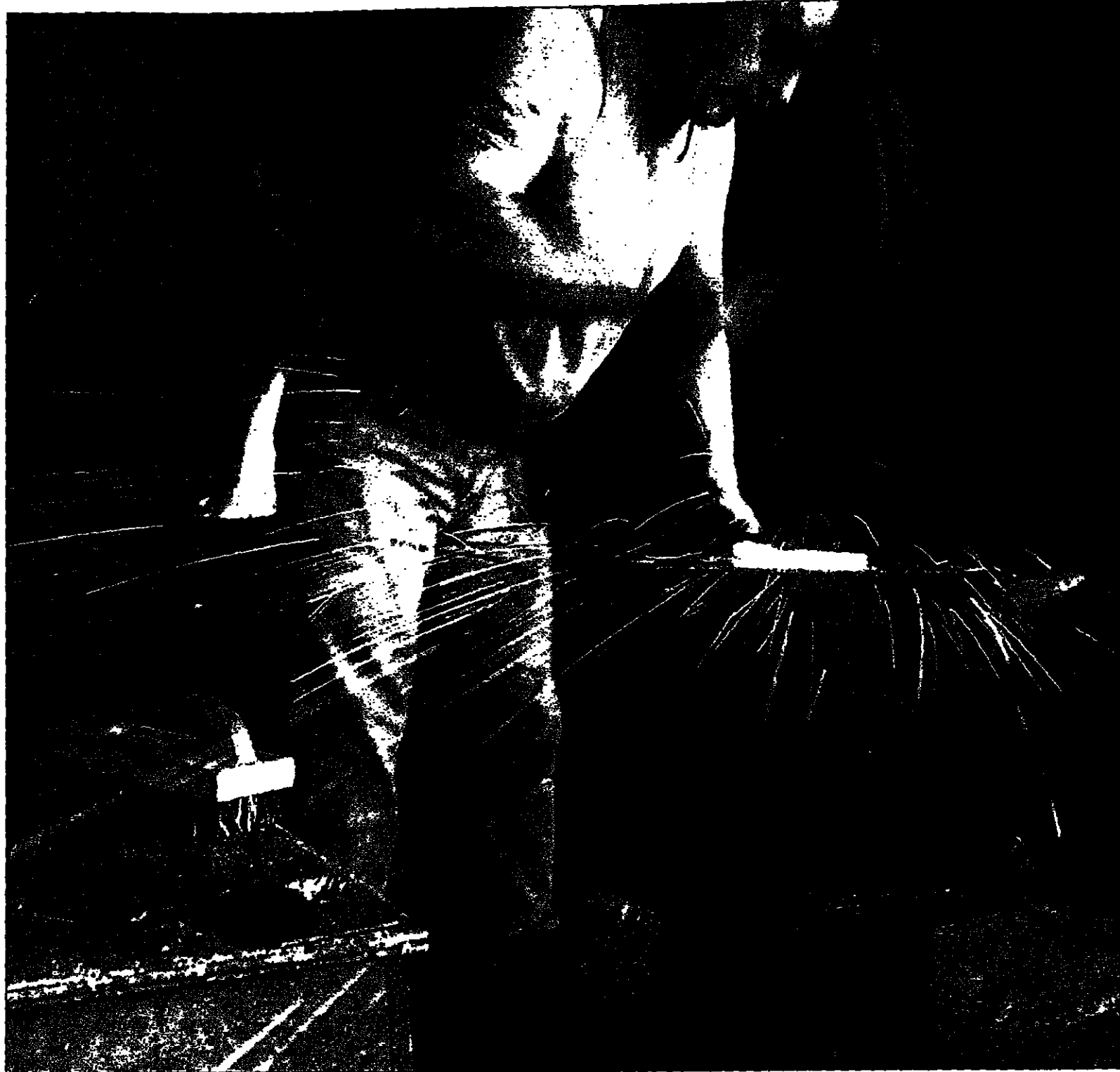
The League Against Cruel Sports has always claimed that its loathing of hunting has nothing to do with the nature of those who do it. This is disingenuous. Its campaign to ban hunting benefits from the bar-room rhetoric which links hunting with priv-

ilege. The subliminal message of much anti-hunting propaganda suggests that most people who hunt are toffs on horseback. In fact, the class profile of the 215,000 hunters and their followers mirrors the profile of the nation.

Hunting's political lobby groups, most notably the British Field Sports Society, used to be run by ruddy-cheeked Colonel Blimps. They no longer are, but their leading figures are still members of what used to be known as the ruling class. This goes some way to explain why they, like the league, have resisted playing the class card. If you are going to defend workers' rights, you need to sound more East End than Eton to avoid ridicule.

Three lots of animals are involved: hounds, horses and the fox. The 187 recognised fox hunts in England and Wales use 15,000 hounds, and are followed by up to 60,000 horses. Hunt kennelmen, who look after the hounds, are vulnerable. "If there's a ban," explains Charles Wheeler at the Beaufort, "our hounds will be shot. They've been bred for hunting, and if they can't hunt that'll be the end of them." A ban would mean that Wheeler would lose his job and tied cottage and five other kennel staff would also be out of work. The Beaufort is the wealthiest hunt in the country – the ancestry of its hounds goes back to 1740 – but smaller and more modest hunts like Shropshire's Ludlow would also suffer. Around the country 900 kennel jobs could go.

That may sound small beer to those who recall the number of miners and factory workers out of work. But add to those all the jobs that relate to the sale and welfare of horses and you begin to get a truer picture of the



Where the rural heart beats: anti-hunt Labour MPs may come realise that they are hurting their own supporters

Photograph: Chris Watt

impact on rural life and job prospects. Approximately 800 horses hunt with the Beaufort during the season and must be shod every month. The smithy who looks after the hunt's horses, Bernie Tidmarsh, estimates that more than half his work is related to the hunt.

"During the season, I spend two days a week at the hunt kennels, and there's hardly a day goes by when we don't shoe a hunter," he says. "If hunting is banned, I shall lose half my business."

Many vets are also worried about the prospect of a ban. "I'd say 30-40 per cent of our work is hunt-related," says Mark Lucey, a frequent visitor to Adsett's yard. "We're a seven-man equine practice and we employ three girl grooms. If there's a ban, one or more of the assistants will have to go."

For Grant Barnes & Sons, saddlers of Malmesbury in Wiltshire, the hunting season is the busiest time of year. "I'd say about half our business comes from hunting," says one of the sons. If there is a ban the saddlers will undoubtedly see a decline in business, but they cannot say by how much: some people will keep their hunters for hacking and a few for drag-hunting. The league is a greater promoter of the latter, which involves a small number of hounds chasing an artificial trail. However, hunting people say that asking them to switch to drag-hunting is like suggesting to a salmon fisherman that he fish for toy fish with magnets.

Jim Rogers believes that most of the farmers who hunt in Shropshire will dispense with their horses if they can no longer hunt. "They're farmers, they're realistic. The horses would be surplus to requirements. They'll be shot. Bang! It's as simple as that."

Jan Giles, a Wiltshire horse dealer, fears that a ban on hunting would put him and his staff out of business. Of the 200 horses which pass through his stables each year, two-thirds are hunters.

"There's no doubt that the price of horses will plummet," he says. "And it will affect every level, from racing down to the knackers' yard."

Contrast this with what happens in France and Germany where there is little hunting. One observer says: "They breed lovely horses, but if they don't make it as show-jumpers or eventers, they eat them. We'll have to do the same – or sell them to French butchers." But many livestock farmers in hunting country would face a serious problem when disposing of dead stock. The Beaufort employs one person full-time to collect dead animals; the best of the meat is fed to the hounds and the rest is disposed of at the hunt's expense. The service is free of charge to farmers. The Ludlow Hunt provides a similar service, spending around £5,000 a year incinerating carcasses unfit for the hounds. If hunts can no longer provide this service, farmers will have to pay a knacker to collect dead stock. Many simply cannot afford any extra costs, and may resort to dubious methods of disposal.

On the day that Mr Foster announced his anti-hunting Bill, Dave Critchley, a league spokesman, claimed that only 850 people would lose their jobs. This is plainly nonsense – one of the exaggerated claims made by the anti-hunting lobby. Bill Andrews, chairman of the Campaign for Hunting, has come up with a figure which he believes he can "prove and defend". It amounts to around 14,000 people: 3,910 directly employed by hunts and some 10,000 in affiliated trades.

For these people, and for the rag-tag army of country sports supporters who are currently converging on London for a protest rally on Thursday, a ban would mean far more than lost jobs. "What townspeople don't realise," says

a huntsman's wife, "is that we don't have opera houses in the countryside, or cinemas, or theatres. The hunt is our entertainment, the centre of our social life." Pub skittle matches, point-to-point, pony clubs: these, she says, are the social cement of rural life, along with the strange business of chasing foxes. "If they ban hunting," she says wistfully, "I simply can't imagine what life would be like for us."

Much of the antipathy towards fox-hunting has less to do with the fox – which will probably be killed in greater numbers, more cruelly, if hunting is banned – than with a distaste for the pleasure which people derive from the chase. Several Labour MPs, including the Minister for Agriculture, Jack Cunningham, and Dale Campbell-Savours, have suggested that the foot packs which hunt in the hills and fells, and whose principal purpose is to eradicate foxes, should be allowed to continue hunting, while those hunts which appear to exist mainly for the pleasure of the hunters should not.

Cunningham and Campbell-Savours are not, as far as one can tell, killjoys by nature. However, both have fell packs in their constituencies, and it is presumably no coincidence that those who hunt the fells are almost exclusively working class, while those who follow the shire packs are generally thought of as upper class.

So far the principal mudslingers in the hunting debate have been the predominantly urban animal welfare lobby and the wealthier members of the hunting fraternity. Now the people, who really know what mud is – the rural workers – are entering the fray. It may only be a matter of time before many anti-hunt Labour MPs realise that the biggest losers of all, if a ban comes into force, will not be the fun-loving élite, but the very people whom Old Labour has always sought to defend.

A slanging match

Never mind the economy or standards in schools, the loss of the New Labour government, if not civilisation itself, seems to hang by the thinnest of threads. Banning the visceral pleasures of the pink-coated aristocracy and their rustic followers would expose Tony Blair's pretensions to lead a "one nation" party as a sham, opponents of a ban on hunting with hounds say.

The blood-sports lobby believes the 75 per cent of the public who favour a ban are soft-hearted townies ignorant of rural ways or class warriors intent on bashing the toffs. The Wild Mammals (Hunting with Dogs) Bill is portrayed as the thin end of a wedge ending with a ban on angling, enjoyed by 3.3 million people – even though the Bill's sponsor, Michael Foster, is himself an angler.

Upset the inherently cruel relationship between man and beast and all sorts of consequences could flow. *Country Life* warns: "What could be more unnatural, for example, than to neuter a cat?" it asks, implying that, too, could be banned.

More red kites could be poisoned, marchers heading for tomorrow's rally claimed. If foxes were not controlled by hunting, farmers would lose dead lambs with strychnine. Yet hunts account for less than 10 per cent of the 180,000 foxes killed each year – the majority are shot.

Though hunting folk threaten a big slaughter of horses and hounds if a ban is imposed, the League Against Cruel Sports says that, across the country, 10,000 unsuitable pups and old hounds are already shot each year.

Setting dogs on domestic animals is a criminal offence carrying a £5,000 fine or six months' jail. The cruelty is the same, in fox or stag hunting, the league says. Stephen Goodwin

Midland Private Banking

Interest rates for Midland Private Banking customers

With effect from 8 July 1997

	Gross %	Net %
Private Banking Current Account		
Up to £2,000	0.30	0.24
£2,000+	1.25	1.00
£10,000+	2.96	2.36
Private Banking Savings Account (monthly interest option)		
Up to £25,000	4.17	3.33
£25,000+	4.41	3.52
£50,000+	4.65	3.72
£100,000+	5.13	4.10
Private Banking Savings Account (annual interest option)		
Up to £25,000	4.25	3.40
£25,000+	4.50	3.60
£50,000+	4.75	3.80
£100,000+	5.25	4.20
Investment Management		
Cash held on the Capital Account within our Investment Management Service will earn interest at the following rates:		
Up to £2,000	0.30	0.24
£2,000+	1.25	1.00
£5,000+	4.19	3.35
£25,000+	4.43	3.54
£50,000+	4.67	3.73
£100,000+	5.15	4.12

Gross: the rate before the deduction of tax applied to interest on savings. Net: this is the annual rate of interest after the deduction of tax applied to interest on savings.

Midland Private Banking is a trading name of Midland Bank Trust Company Limited, a subsidiary of Midland Bank plc. This interest rate notice is issued by Midland Bank plc, PO Box 757, Hemel Hempstead, Hertfordshire, HP2 4SS.

Member HSBC Group

Rural rhymes, or how to earn a beer

I was out for a bicycle ride in the country the other day, which is what I generally do when there is something more important to be done, and I stopped at a pub for refreshment, which is what I generally do when there is serious biking to be done. Of course, there is something rather odd about a bicyclist stopping at a pub at all. Bicycling has a puritan image, all green and ecological, and pubs are all about getting fat and drunk and loud, so really cyclists should stop at health food shops and ask for bottles of spring water and bars of energy-giving wafer, but there I was, sitting outside this pub on a sunny day with a pint of lemonade shandy, and I'm ashamed to say, a pork pie.

First of all, though, I had to clear my mouth of insects. This sunny weather, the air is full of flying animals, the very same little flying foodstuffs that swallows come all the way from Egypt to live on, but we humans have not yet adapted to an insect diet, so when something flies into your mouth your instinct is not to swallow it but to spit it out as quickly as possible.

While I was preparing my mouth to receive the first donation of lemonade shandy, I was startled to hear a very rural voice beside me.

"North, east, west, south, Never cycle with an open mouth."

I looked round. There was an old chap sitting at a table by himself with an empty glass. He smiled at me. "Old country saying, that. When I was a lad, my father taught it to me. Said he had once known a chap who had been cycling along with his mouth open and a bee had flown in. Gave him a terrible sting on the palate. Couldn't speak for five days and could never say his Rs properly again after that."

"Is that really true?" I asked. "It's what my dad told me," said the old man, "so I expect it weren't. But what he said about cycling with your mouth open was true enough, as I see from you fishing bits of insect out of your mouth."

"At least it's just my mouth," I said. "Some days you get swarms of tiny black flies in your clothes."



Miles Kington

"North, south, east, west, Never cycle with an open vent."

said the old man. He looked at me cheerily. "Another of your dad's?" "No. That was from my mum. After all, it was she had to get my clothes clean." "Were there lots of these cycling rhymes when you were a lad?" I asked. "Thousands. We more or less communicated in rhyme. I remember going on my first long ride. My Dad said:

"Keep to the left and ring your bell."

"If you see a bull, then ride like hell."

"Any others you remember?"

"Don't lock your bike where it will flood, Or you'll find your saddle full of mud."

"What does that mean?"

"Pretty obvious, I would have thought. If you park your bike where the river tends to flood, chances are you'll come back and find it underwater. Or maybe with cow damage."

"Cow damage?"

"A spoke will carry a bicycle wheel, But it ain't no match for an old cow heel."

he said triumphantly. "Meaning, that when a cow steps through a bicycle wheel, you won't be riding away on it in a hurry."

"Did you ever know a cow stepping through a bicycle wheel?"

"No-o-o-o," admitted the old man reluctantly. "But maybe that was because people paid heed to the rhyme and didn't leave bikes

where cows could get in."

There was a pause. "How's the pork pie?" he said.

"Heavy going," I replied.

"If you could get a pie to talk."

"I'd say I'm a lot more pie than pork."

he said.

There was another pause. "Have you got an old country rhyme for every occasion?" I asked.

"Certainly have," he said. He banged his glass significantly on the table.

"Hear the empty pint pot sound, Means it's somebody else's round."

I took the hint and bought him a pint, but this time I stuck to mineral water and a certain brand of chocolate which likes to think it gives you more miles. The old man didn't think so. As I rode off again and waved to him, I heard him saying:

"One Mars bar Won't get you far You'll get more cheer From a pint of beer."

Across the Atlantic: grey power is the US secret weapon

It is a boom. And it is a boom that will carry on for a while yet – even if manufacturers are hurt by the strong pound, little matters like the billions in people's pockets from the Woolwich float this week will see to that. Expect another rise in interest rates this week to try to persuade us to keep our cash in our bank accounts rather than spending it on foreign holidays. Enjoy it, because however hard it is to remember this painful truth, all booms come to an end. But how long the boom continues will depend not on the decisions of Gordon Brown, nor even those of Eddie George. It will depend on our willingness to work.

If that sounds cryptic, consider America. The US boom is more advanced than ours. Not only did the growth phase start earlier, employment has grown much more rapidly: there are about 17 per cent more Americans in jobs now than there were 10 years ago, whereas here there are only about 6 per cent more people in work. Yet there is little inflation in the States, as anyone planning a holiday there this year will discover. This is partly a function of exchange rates: the present sterling exchange rate makes the US seem astonishingly cheap. But it is also a function of restrained growth in wages: the US has seen a boom in employment without seeing a boom in pay rates. As a result the boom has been able to continue for far longer without being choked off by higher inflation.



Hamish McRae

If we can entice more older workers back into jobs, we can carry on the expansion. And if we cannot, growth will be choked off

1 per cent a year, the workforce is growing at 1.5 per cent a year. But the really astonishing thing is the number of "oldies" who are back in jobs. Anyone who goes to the States will notice this – older people running check-outs at stores and check-ins at airports – but for once the figures back up the anecdotes. Since the beginning of last year the number of men aged between 55 and 64 in the labour force has jumped by 2 per cent – age points. Grey power is rescuing the American economy. Companies are targeting older workers, including, sometimes, people whom they earlier laid off. Some of these jobs may be at lower wages than in the past, but not all grey jobs are poorly paid. In one area, computer programming, there has been a surge in demand for older programmers to help fix the "millennium bug", the fact that many computers cannot cope with the year 2000. It seems that a lot of mainframe programs still in use are written in languages like COBOL, which the young denizens of Silicon Valley don't understand. This phenomenon has profound implications for the UK. We are an even older society than the US, measured by the proportion of people over 65. We have also seen a similar trend in job losses among the 55-64 age group. So we have an even greater opportunity to keep the economy moving by pulling back the retired and the early retired into the labour force. Up to now that has not really been a problem, for while individual companies are reporting difficulty in finding qualified labour, we have not experienced a general labour shortage. Indeed we still think in terms of unemployment as an endemic problem that will take years to solve. For some groups of people that may well be true. But in terms of the overall proportion of jobless, we are lagging behind the US by only about a year. Allow for the distortions in the way we count unemployment, and maybe the lag is a bit longer, but the direction is quite clear. So over the next year or so there is a tantalising opportunity: if we can entice more older workers back into jobs, we can carry on the expansion. And if we cannot, growth will be choked off.

This is a story that has attracted far too little attention over here, where people tend to sneer at "McJobs" – the fact that some at least of the new jobs created in the States have been low-wage ones. But actually the ability of the US to generate jobs has profound implications for us. Not only is there the prize of unemployment running below 5 per cent – it is down to 4.8 per cent in the US – terrific though that would be. There is the arguably bigger prize of long-term sustainable growth, so that unemployment would remain pretty low for (who knows?) a generation or more.

In America two things seem to have happened. One is migration. The pool of labour seeking jobs has been boosted by migrants, of whom the largest single source has been Latin America. That is something special about the geographical location of the US, with that long permeable border with Mexico. Special, too, is its tradition of being a haven for immigrants. But it is not just that. Perhaps more relevant to the UK is the way the long boom has pulled back into employment people who would normally find it hard to get work. In particular the early retired, the under-qualified, and the discouraged – the people who had given up even looking for work because they felt there was no point. As a result, though the number of people of normal working age in the US is growing by only

reporting difficulty in finding qualified labour, we have not experienced a general labour shortage. Indeed we still think in terms of unemployment as an endemic problem that will take years to solve. For some groups of people that may well be true. But in terms of the overall proportion of jobless, we are lagging behind the US by only about a year. Allow for the distortions in the way we count unemployment, and maybe the lag is a bit longer, but the direction is quite clear. So over the next year or so there is a tantalising opportunity: if we can entice more older workers back into jobs, we can carry on the expansion. And if we cannot, growth will be choked off.

There is a further bonus. The more that older people can be encouraged to take on some form of work, the more manageable the burden on the pension system, both private and public. Indeed the only way in which our ageing societies can hope to increase the overall standard of living over the next generation will be to find imaginative ways of encouraging older people who want and are able to work to do so. That will require flexibility from employers. And it will require older workers accepting the idea of being "retro-fitted" with new skills. Meanwhile, John Glenn has to make his next space trip at the age of 75, and there is the computer bug to fix

We don't have capital-culture in this country. We have music, poetry, all that. But Culture is for foreigners, a bit lah-de-dah, a bit poncey. In Britain, when we use the word we tend to prefix it to make it sound domestic and unthreatening ("working class culture", "television culture"). And increasingly, at a national level, we call it Heritage.

This is interesting because, in cultural terms, heritage is another word for death. Heritage is what dying cultures become just before they are interred. Heritage means museums of coal-mining and unpolluted country houses. It means Gaelic classes, Roman remains with neatly trimmed grass around them. Spitfires on metal sticks and scores of tourist "experiences". Heritage is safe, innocuous, silent and cancelled. Heritage is what London would like Orange Order marches to become, and what Orangemen are strenuously resisting.

Yet we have a Department of National Heritage. You might as well call it the Department of Cultural Death. I don't mean it has done a particularly bad job of overseeing lottery hand-outs, sporting quangos or providing chatty types for the Today programme – though it has been a poor media regulator, on the whole. But I do mean that it hasn't exploited the full possibilities of a nation which has been a booming cultural success story.

British creativity, in architecture, fashion, music, poetry, film and even – despite the Goldsmiths College hype – visual art has been one of the constant, cheering threads running through the past decade. This goes well beyond the stuff about London being "the capital of cool" or the odd fashion show with dangling bones. Culture is big business and becoming bigger.

In a fast-trading global system, where added value means everything, success in culture and design brings rich rewards: jobs, investment and cachet. The software geniuses and the musical or clothing innovators who catch a mood are our equivalent of Victorian engineers and explorers. The rock music business by itself, for instance, is worth some £2.5bn to Britain each year. Though there are only 650,000 direct producers of culture – musicians, artists and so on – millions of people depend on their ideas and output for jobs.

Britain's cultural revival has happened without much incitement or help from government. The things that were subsidised before are still, mostly, subsidised. But there has been a little official enthusiasm, leadership or strategy for the country's future as a world producer of buildings, tunes and stories.

Yet, through the Conservative years, many people yearned for a different cultural mood. With a new government, they thought, we could be like Barcelona and Milan. We could be a cool, young-again nation. And when Islington went to bed, from the late Eighties to the late Nineties, counting the profits from the design practice



Not death for the arts, but a new beginning for creativity

Photograph (rock ballet "Billboards", Edinburgh Festival Theatre): Alan Peedles

or the TV commission, it still lisped a prayer for a properly cultured leader in Downing Street. It wanted a lead from the top.

And now? Tony and the Blairites have been cautiously neutral on the whole vexed question. Populism dictates. If Number Ten's number one priority is to keep The Sun happy, then football and the Spice Girls are the stuff, not "culture". Posh beds, haircuts and fun holidays are fine because they are things ordinary families aspire to. Opera, architecture and the aesthetics of urban design are litty because they can't be packaged for tabloid story-telling.

Yet this is a government that needs culture and cultural revival. Its essential rhetoric, its banging-on about youth and new beginnings, has been passionately anti-heritage. Had Blair not been well aware of the economic power, and the propaganda value, of cutting-edge culture, the decision over the Millennium Dome would certainly have gone the other way.

That, indeed, was an eloquent expression of Blair's political dilemma: most ministers were against it, so, ferociously, was The Sun, now the Blair's favoured paper. Yet to have abandoned the Dome, and his friend Lord Rogers, would have made Blair's name mud

among many of the cool and cultured. And though that decision was a one-off, cultural policy, particularly since the Lottery is involved, represents a constant series of similar choices.

So how will Blair play this



Andrew Marr

most interesting and tricky area? We may be about to find out. Within the next 10 days or so, the Department of National Heritage will (horror) disappear and a new Ministry of Culture (I hope) will instantly rise from its ashes. Heritage Britain will find it has lost another battle.

Chris Smith, who was given this most enjoyable and influential of cabinet jobs because of his popularity in the arts world, will follow up with some good and populist stuff about shifting lottery funds towards edu-

What price public service?

Rob Brown on the pay of the BBC's very own fat cats

"The BBC and the Civil Service are ultimately about public service ... Competition and market-testing are important, but they are not ends in themselves."

Question: which leftie said that? Answer: Douglas Hurd in a lecture delivered as Foreign Secretary at the University of Birmingham on 10 March, 1995.

If the broadcasting unions were really on the ball, they would be quoting those words from a leading Tory back at the top mandarins of the BBC, who are in the process of brazenly seeking to justify obscene pay increases for themselves by citing the salaries of chief executives in commercial media companies.

The salary of John Birt, the director general, is being raised by 18 per cent to £554,000 in order, we are told, to bring his earnings closer into line with those of Michael Grade, who earned £464,000 as Channel 4's chief executive last year, and Greg Dyke, who received £400,000 as chief executive of Pearson Television.

Apparently, the BBC's top brass is in the same business as top executives in the commercial sector and should be similarly rewarded. As Birt himself puts it: "We've no choice but to be in the market if we want this institution to remain strong ... The market moves and we have to move with it."

But the BBC is not a business. And it does not have to compete in the media marketplace as do commercial companies for a simple reason – 95 per cent of its £1.5bn annual programming budget is handed to it by the nation's licence-payers. It follows that John Birt is fundamentally not doing the same job as Michael Grade or Greg Dyke.

The principal reason the BBC survived almost two decades of New Right rule is that there was always,

mercifully, a sufficient counterforce of traditional Conservatives in key Cabinet posts who appreciated the value of the BBC and were determined to protect it from Thatcherite philistines and bean-counters. When, in the aforementioned Birmingham speech, Douglas Hurd averred that the BBC was "ultimately about public service", he added: "Recognising that role is in the mainstream Conservative tradition. Birt has cred-

ited him with defending the licence fee at a crucial juncture in 1992. Birt acknowledged, when we spoke on Monday, that "we had many supporters in the Conservative Party ... Very powerful forces in the last government argued for sustaining the BBC." We were speaking after he and the BBC's chairman, Sir Christopher Bland, had hosted a press conference to unveil the latest annual report and accounts.

Neither Hurd nor Mellor – now pursuing careers outside Parliament – have returned to the political arena in the past few days to vent their views on the BBC bosses' pay rise. But Hurd surely laid down a guiding principle in such matters when he warned against "undermining the whole concept of people making a

career out of service to the public". It may sound terribly naive in these still Thatcherite times, but many people who have worked for the BBC throughout its history have, at all levels, done so out of a strong sense of commitment and an instinct that was not market-driven. Some felt it was a glorious privilege to work for the world's most respected public service broadcaster. And a few idealistic souls even felt they were doing something for their country.

That public service ethos has not evaporated entirely, but it is hardly bolstered by bosses who are crass and insensitive enough to serve warning of further 20 per cent operational savings on the same day as they come clean about their own salaries going up by 20 per cent. And this is barely a week since the BBC's 22,000 staff accepted a 2.8 per cent wage rise. Yet the new Secretary of State for National Heritage, Chris Smith, is reported to be relaxed about the situation. Maybe he's given up tackling fat cats, after his failure to get very far with Camelot's top executives when they created their very own lottery win in the form of whopping bonuses.

Smith has sought assurances from BBC management that "the commercial tail isn't wagging the public service dog". Birt has no problem giving him such assurances. In his introduction to the BBC's annual report and accounts – submitted to Parliament yesterday – he writes: "Later this year, the BBC will celebrate its 75th birthday. As we enter the digital age, we are determined not to lose sight of the principles that have guided us over those 75 years."

Fine words, but there are many on Auntie's payroll who wonder how he can possibly square such rhetoric with the latest evidence of creeping commercialism in the corporation.

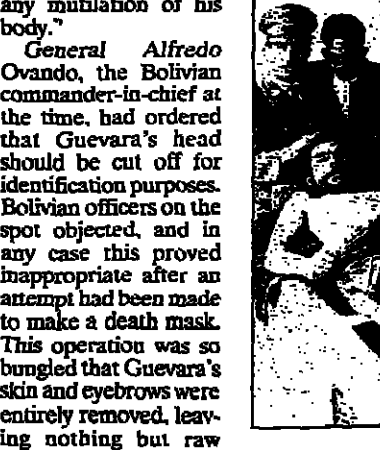
During his time as Secretary of State for National Heritage, David Mellor also fell into the mainstream Conservative tradition. Birt has cred-

The BBC is not a business. John Birt is fundamentally not doing the same job as Michael Grade or Greg Dyke

The last journey of Che Guevara

The body of Che Guevara, which has now finally been discovered beneath the airport at the Bolivian town of Vallegrande, was buried by a Cuban-American agent of the CIA, Gustavo Villoldo, who was the head of the CIA's "country team" in Bolivia. According to the most recent biography of Guevara, by the Mexican political scientist Jorge Castaneda, Villoldo revealed that he had taken part in the burial.

"I buried Che Guevara," he told Castaneda. "He was not cremated; I would not have allowed it, and I was also opposed to any mutilation of his body."



General Alfredo Ovando, the Bolivian commander-in-chief at the time, had ordered that Guevara's head should be cut off for identification purposes. Bolivian officers on the spot objected, and in any case this proved inappropriate after an attempt had been made to make a death mask. This operation was so bungled that Guevara's skin and eyebrows were entirely removed, leaving nothing but raw flesh. His head, so beautiful in the photographs, would no longer have served its purpose as identification.

I was there. I met Villoldo in Vallegrande on the day that Guevara was executed at the village of La Higuera, Monday 9 October, 1967. He was then operating under the pseudonym of "Eduardo Gonzalez". Four hours after the Cuban guerrilla leader was executed, his cadaver was brought to Vallegrande by helicopter and Villoldo immediately took charge of the proceedings. He travelled in the back of a small Chevrolet van containing Guevara's corpse, and organised its deposition in the small laundry hut of the local hospital. There two local doctors prepared it for embalming, and

it was on view to the small group of reporters who happened to be in Vallegrande.

The following day, Tuesday, the Bolivian government flew in a plane-load of reporters from La Paz, and the famous photograph that went round the world, later perceived to be reminiscent of Rembrandt's *Anatomy Lesson*, was taken.

That night the two doctors carried out an autopsy on Guevara's body, confirming for the first time that a bullet had gone through his heart. When this news leaked out at the end of the week, it became clear that Guevara had been executed. He did not die of his wounds, as the Bolivian army had at first maintained.

The attempt to take a death mask having failed, the doctors were then ordered to cut off his hands. These were subsequently examined by a team of fingerprint experts from the Argentinian police who arrived at Vallegrande on Saturday 14 October, bearing Guevara's military service fingerprints of 1947.

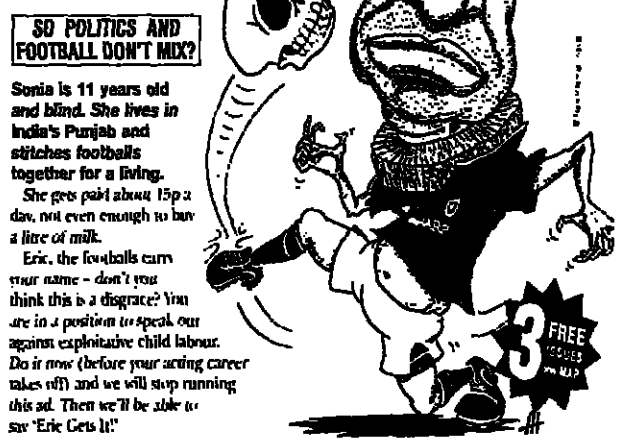
A few hours after the autopsy, early on the morning of Wednesday 11 October, according to the evidence of the CIA agent interviewed by Jorge Castaneda, he was buried. "I took the body," said Villoldo, "together with that of two other guerrillas, in a lorry. I was accompanied by a Bolivian driver, and a lieutenant who may have been called Barrientos. We arrived at the airport, and there we buried them. I would recognise the spot immediately. If they continue looking they will find him. They will be able to recognise him by the clinical removal of his hands."

The body found in Vallegrande has no hands.

Richard Gott

New Internationalist New Internationalist

Eric doesn't get it!



30 POLITICS AND FOOTBALL DON'T MIX?

Send in 11 years old and blind. She lives in India's Punjab and stitches footballs together for a living. Do it now (before your arsing career takes off) and we'll stop running this ad. Then we'll be able to see Eric Gets It!

EVERY MONTH WE TACKLE A DIFFERENT SUBJECT... From Haggis Rights, to Haggis, to the New Trade we give you the facts and arguments so you have a clear understanding of the issues. For your FREE trial we will send you special Extra Labour issues plus the next two New Internationalist. To find out about the issues that matter to you, fill in the form below.

Post to: New Internationalist, FREEPOST SG599, PO Box 79, Hertford SG14 1YB

NO-RISK TRIAL SUBSCRIPTION

YES PLEASE send me my 3 free issues and free map. If I decide to cancel, I will write and tell you within 10 days of receiving my third issue. If I wish to continue, I need do nothing. Starting from the 1st of the following month, you will charge my account quarterly, until cancelled. The full subscription price (now £2.95), is £9.95 per year. The my bank account I request you to pay direct. Do it now (before your arsing career takes off) and we'll stop running this ad. Then we'll be able to see Eric Gets It!

Name (BLOCK LETTERS please) _____
Address _____
Postcode _____
Telephone _____
Signature _____
Date _____

business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2088
BUSINESS & CITY EDITOR: JEREMY WARNERAlsthom set for
£4bn float in
GEC shake-up

Michael Harrison

George Simpson, managing director of GEC, yesterday unveiled his long-awaited strategic overhaul of the group, signalling plans to float the power engineering joint venture GEC Alsthom and use its legendary cash pile to catapult Marconi up the world league of defence contractors through a series of takeovers and mergers.

The flotation of GEC Alsthom, co-owned with the French electronics giant Alcatel, would take the form of a merger and would spell the end of GEC's strategy of expansion through joint ventures, pioneered by its former managing director, Lord Weinstock.

GEC Alsthom, which supplies power stations and rail rolling stock such as the Eurostar fleet of cross-Channel trains, is valued at around £4bn and was one of a series of joint ventures created in the 1980s as a means of making GEC bid-proof.

Under the new strategy, to be implemented over the next three to four years, GEC will be focused around three businesses spearheaded by defence electronics while large parts of its UK industrial division led by the semiconductor business, GPS, will be disposed of.

The other two legs to the group will be telecommunications, where GEC has a 60 per cent stake in the GPT joint venture with Siemens of Germany, and industrial electronics which includes the Picker medical imaging business, Gilbarco fuel pumps and Videotek, an ink jet marking company.

Despite the scale of the "radical change" outlined by Mr Simpson, there was some disappointment that the announcement was not accompanied by news of an actual defence merger and GEC shares fell sharply to close 24.5p lower at 353p.

The strategic review follows sweeping changes in the way the group is managed and run and a clearout at board level which will be completed in the first quarter of next year with the appointment of a new chairman to succeed Lord Prior.

In defence electronics, the prize remains a merger between Marconi and Thomson CFS of France to create a grouping with sales of nearly £6bn capable of competing toe-to-toe with US behemoths Raytheon and Lockheed-Martin.

But Mr Simpson said another possible route forward was the much-rumoured domestic merger with British Aerospace. Other merger or takeover candidates include Siemens Defence and Finmeccanica of Italy, which owns Alenia Defence Electronics. Although GEC stressed yesterday it was not in talks to take a controlling stake in the Italian group.

The expansion of Marconi to the point where defence electronics accounts for more than half annual revenues, which amount to £1.1bn, will be financed with GEC's £2bn cash pile but Mr Simpson said he would be quite prepared to take on borrowings to achieve his goals. Any surplus capital arising from the disposal programme would be returned to shareholders, he added.

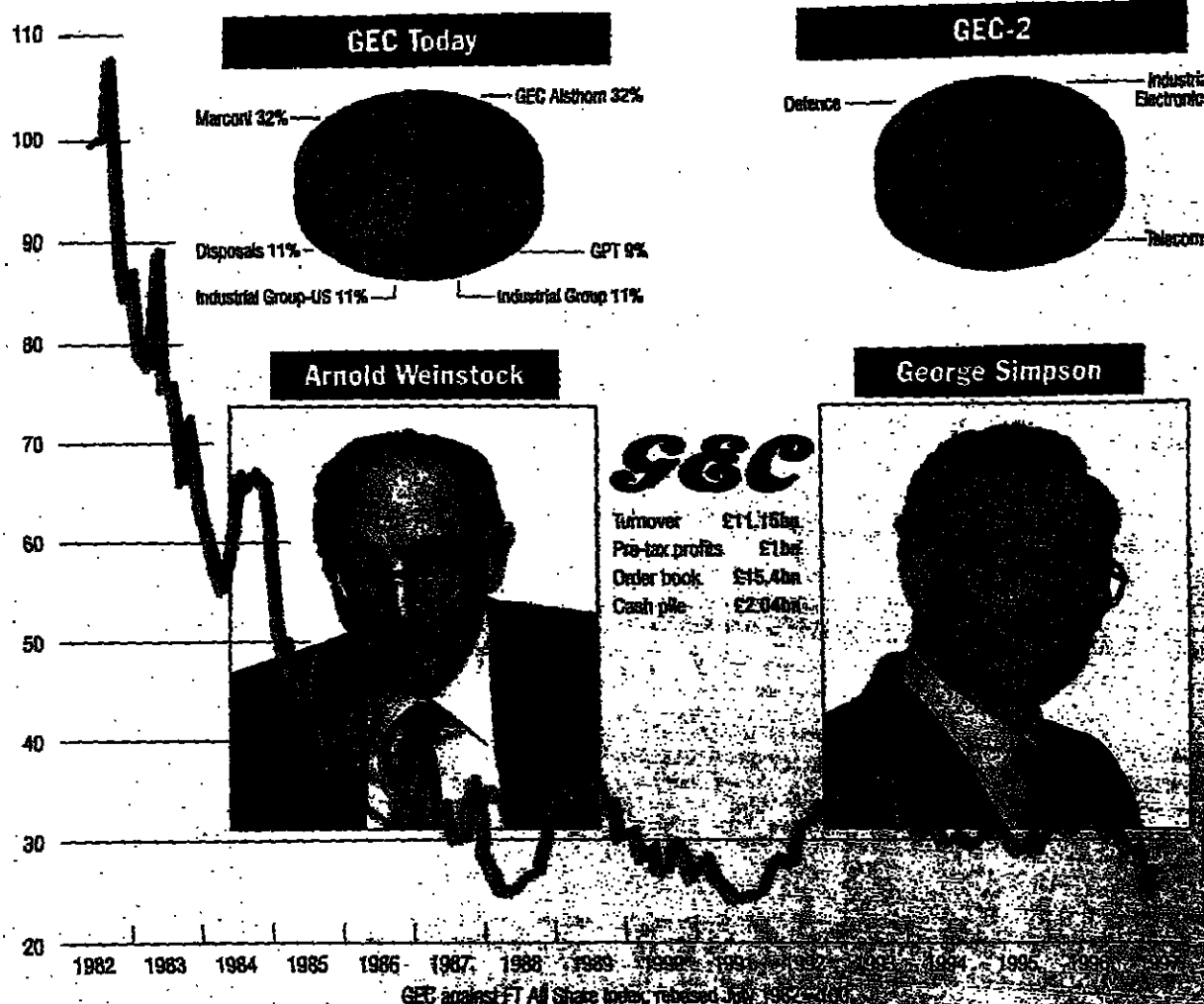
There had been speculation that GEC might unravel its joint telecoms venture, GPT, or reduce its controlling stake.

But Mr Simpson paid tribute to the double-digit margins the business was achieving and said GEC and Siemens had agreed to "reposition" the business.

Announcing his strategic review, the product of a nine-month assessment, Mr Simpson paid tribute to the "strong control culture" that his predecessor had imbued in the business, and the strong balance sheet and solid platform he had inherited.

But he went on: "Despite the strength of this opening position and the undoubted solidity of the platform, I believe that GEC has reached the stage in its development when it needs to transform itself through a process of radical change."

Weinstock's legacy and Simpson's blueprint for UK's premier electronics group



the competitive environment, and secondly to create greater value for shareholders.

Mr Simpson made a pointed reference to GEC's balance sheet being too strong in the eyes of some, noting that its shares had outperformed the market only four times in the past 15 years while earnings per share growth had lagged behind

the market average. It has also emerged that Lord Weinstock, who now holds the title of chairman emeritus, will not have any office space when GEC moves from its Stanhope Gate headquarters in Mayfair early next year to new premises just off Berkeley Square.

Analysts were split on Mr Simpson's announcement. One said: "Sometimes it is better to travel than to arrive. GEC revealed more than I'd expected but others had obviously expected concrete deals and did not get them."

Another said he was underwhelmed by the review, adding that the timescale for returning shareholder value was too long.

Comment, page 17

Murdoch looks for publisher partner

David Usborne
New York

Rupert Murdoch has signalled he is looking for a possible joint venture partner to take a share in his HarperCollins publishing subsidiary which is struggling to recover from recent losses.

The manoeuvre comes as rumours persist of a possible all-out sale of the publishing house that was formed in 1989 when Mr Murdoch merged the British company, William Collins & Sons, with US-based Harper & Row.

With much of the US publishing industry in the doldrums, HarperCollins reported a loss of \$7m (£4m) for the last fiscal quarter that ended on 31 March. Disappointed by the performance, some large shareholders in Mr Murdoch's News Corporation have been pressing for a quick sale of the publisher.

Mr Murdoch indicated that his interest in finding a partner for the business was principally to "cut out one set of overheads" by moving to merge some of the backroom operations such as warehousing and printing.

While he declined to name potential candidates, attention has focused quickly on Bantam Doubleday Dell Publishing, which is owned by Bertelsmann of Germany. Bantam is reported to have achieved a revenue flow last year of close to \$700m.

Bertelsmann, the third-largest media company in the world, has cash to spare and is known to be looking for acquisitions in the US. Other companies that could be in its sights include the giant McGraw-Hill as well as publishers Houghton Mifflin.

The tribulations at HarperCollins have recently been thrown into the spotlight by revelations of an abrupt little-pruning spree by Anthea Disney, the president of the company since April last year.

Since March, the British-born Ms Disney has shaved some 100 titles from her list of books for publication.

Ms Disney, who has denied she is preparing the company for eventual sale, would make no specific comment on the tactics of Mr Murdoch. "We know that News Corporation has been approached about various strategic alliances," she said. "At the moment there is nothing specific on the table and nothing is in the offing."

Rate rise imminent as inflation overshoots target

Diane Coyle
Economics Editor

The pound jumped and share prices fell sharply yesterday after new figures showed that inflation climbed above the Government's 2.5 per cent target last month.

The Bank of England is firmly expected to raise interest rates tomorrow, with yesterday's disappointing retail price news rounding off a series of figures suggesting that the economy was expanding too fast to keep inflation on target.

"The Bank of England cannot be happy. The Monetary Policy Committee might just delay a move until August because of the strong pound, but

inflation is certainly not coming down as fast as it should have done," said Ciaran Barr, an economist at Deutsche Morgan Grenfell.

Mortgage lenders would be likely to match any increase in base rates, with a 0.25 per cent rise adding £10 to the monthly payment on a typical £50,000 repayment mortgage.

A 5 per cent monthly rise in seasonal food prices during the month and a 0.7 per cent increase in petrol prices explained the overall rise. Vegetable prices normally decline in June, but wet weather across Europe had instead led to higher prices, especially for items like cauliflower and tomatoes.

It also broke through the 10 French franc barrier for the first time in more than five years.

The FTSE 100 index lost more than 52 points to end at 4,758.5.

Retail prices excluding mortgage interest payments rose by 0.3 per cent during June. This took inflation on the Government's target measure up from 2.5 per cent to 2.7 per cent. The figures came as a shock as most economists had expected target inflation to decline.

There was a warning signal of this yesterday in the latest quarterly survey of business - carried out just before the Budget - from the Engineering Employers' Federation.

It reported that new export orders were down for the second quarter running, home orders had weakened, output growth had slowed sharply and hiring of staff had come to a halt.

Alan Armitage, head of economics for the EEF, said: "Prospects for the remainder of the year will depend crucially on the level of sterling."

He warned that not only was the strong pound hitting exports directly, it was also feeding through to lower orders for suppliers.

Simon Briscoe at Nikko Europe said there was line sign of inflationary danger in yesterday's retail price figures. "Unless you believe that consumers are spending their build-

ing society handouts on fruit and veg, there is little sign of wind-fall inflation," he said. He pointed out that inflation in key consumer areas - household goods and services, and clothing and footwear - actually declined last month.

But Michael Dicks at Lehman Brothers said: "These were worrying figures even if there was some good news in the detail."

He said the strength of the pound so far ought to have resulted in a bigger drop in inflation, and suggested that retailers were taking advantage of strong demand and a higher exchange rate to boost their margins.

The Budget excise duty increases and higher prices for items such as tea and beef will tend to increase inflation again this month, but the overall picture will depend on whether food prices revert to a more normal pattern for the time of year.

Most economists expect the target measure of inflation to drift higher in coming months.

The Bank's Monetary Policy Committee, set up by Gordon Brown, Chancellor of the Exchequer, to make the month-to-month interest rate decisions that will deliver the Government's inflation target, will meet this afternoon and tomorrow morning. An announcement of its decision is expected before midday tomorrow.

Comment, page 17

Chief executive
quits Newcastle

Andrew Yates

Mark Corbridge, the joint chief executive of Newcastle United, has left the football club after eight months and only three months after he floated on the stock market.

"We didn't fire him. He did a good job but it became apparent in the last few months that having two chief executives was not working. It was an arrangement put in place before I arrived," said Sir Terence Harrison, Newcastle's non-executive chairman and the former chief executive of Rolls-Royce.

Mr Corbridge will receive a pay-off of £400,000. He had almost three years of his contract to run under which he was entitled to an annual salary of £160,000 and guaranteed bonus of £80,000. Mr Corbridge received a bonus of £300,000 to float the company from Cameron Hall, the investment company that owned Newcastle and which is run by Sir John Hall, the property entrepreneur

whose son still owns a majority stake in the club.

Mr Corbridge joined the group from Newcastle's brokers, NatWest. His fellow joint chief executive, Freddie Fletcher, will take over his job. "Mr Corbridge helped us float the club and was City oriented. Mr Fletcher had a general management role and looked after the soccer business. It was best for all concerned that Mr Corbridge left," said Sir Terence Harrison. Newcastle is likely to appoint a new executive director with financial experience to the board to replace Mr Corbridge within the next few months.

Newcastle's decision came as no surprise to analysts. "Newcastle's corporate governance at floatation was seen to be well below expected levels. The board structure always looked unsustainable," said Nigel Hawkins, football analyst at Yamaichi. Another analyst said yesterday: "This decision will not upset too many people. Corbridge didn't go down too well with institutions and analysts."

Triplex Lloyd chief quits
over failed bid for Cook

Sameena Ahmad

Triplex Lloyd, the engineering group, has parted company with Graham Lockyer, its chief executive of just three years who orchestrated Triplex's failed and bruising takeover battle for William Cook.

Analysts said that his departure reflected Mr Lockyer's failure to secure the £73m acquisition, which would have turned Triplex into the UK's biggest metals castings group and increased the group's earnings by 50 per cent.

Speaking at the group's full year results to March, Colin Cooke, chairman of Triplex, said that the bid had cost the group £2.1m.

Triplex threw in the towel in February when Andrew Cook, chairman of Williams, trumped Triplex's offer with an £80m management buy out.

Though Mr Cooke maintained that Mr Lockyer's departure "had nothing to do

with the bid", analysts said that the departure, which came two weeks after Triplex fired its public relations firm Citigate, reflected the damage to Triplex's reputation during the bid, particularly leaks to the press of confidential information on William Cook which led to a takeover panel reprimand.

One said: "Mr Lockyer engineered this bid and must be responsible for how bitter it became. He also simply failed to nail Williams. Buying that company would have transformed Triplex."

Analysts pointed out that Triplex's chairman had a reputation for toughness. John Foley, chief executive prior to Mr Lockyer, departed three years ago over a poor profits record.

One analyst said: "Colin has a bit of a reputation as a hatchet man. Graham was a lovely person and well liked, but he wasn't the ideal one to lead on

these decisions. It's probably a fair decision to let him go."

Triplex's finance director Bob Mitchell is assuming the chief executive's role until a replacement is found.

Mr Cooke said that the group would not be making any more hostile bids, though with low gearing the company had around £20m to spend on bolt-on acquisitions.

"I do regret this bid. The cost was heavy. It was going to give us substantial synergies, and it was a very undervalued company. But if I could go back I would not do it again," he said.

Though the bid had depressed Triplex's share price, which fell to 154p yesterday, analysts were generally impressed with the group's full year results and said the group look undervalued.

Full-year profits rose 19 per cent to £11.3m with earnings per share rising 25 per cent to 13p.

Paul Compton of Merrill Lynch said: "It is not many engineering companies which have just reported a 20 per cent rise in earnings and have no debt which are at half the value of the market."



Colin Cooke, chairman, 'would not do bid again'

Dalgety chief
'is living on
borrowed time'

Andrew Yates

Institutional investors in Dalgety yesterday warned the company's chief executive, Richard Clothier, was living on borrowed time after it issued its second profits warning in two months.

Investors in the troubled pet food to fertilisers group took fright at the latest warning, driving the share price down by almost 15 per cent to 225.5p, which wiped more than £113m off its stock market value.

Some institutional investors expressed anger at yesterday's trading statement. One, who declined to be named, said: "Just when we thought it could not get any worse it has. He [Clothier] is living on borrowed time."

Mr Clothier, however, ignored the threats and said he had no plans to resign: "I see eye-to-eye with the new chairman, Sir Denis Henderson, and the finance director. We have agreed about our approach and now we have got to get on and do it. I am determined to stay and deliver results."

Dalgety is considering selling one of more of its five divisions as part of an urgent strategic review. "I do not rule out selling one or two of our main businesses," said Mr Clothier.

Two of its divisions will undergo emergency surgery. According to industry sources, Dalgety has plans to make up to 700 people redundant at its ailing pet food business, about a fifth of its workforce. Jobs will also be lost at its fertiliser and animal feed businesses.

Analysts believe the price fall will leave the group vulnerable to a takeover bid by a predator which would break up the group. "Dalgety's credit-

ity is at rock bottom. But things could get even worse," an industry analyst yesterday. "A rival may not be willing to buy such damaged goods. But companies such as Nestlé or Heinz may be interested in businesses such as the pet food division."

Dalgety has warned that underlying profits will fall to around £65m this year, compared to analysts' forecasts of £80m-£85m. A host of exceptional charges, totalling £138m, will plunge the group into the red.

Dalgety's trading profits in the past three months have fallen well short of expectations. The chief offender is the pet food business, which produces the Felix and Winkat brands. Supply problems and price competition from Mars, its chief rival which sells Whiskas cat food, have resulted in poor sales. Dalgety has been forced to put aside £67m to overhaul the business and fund redundancy costs.

Dalgety's decision to buy Quakers Oats' European pet food business in 1995 has drawn criticism from analysts. But Mr Clothier is adamant it was the correct decision. "It was right for us to buy the business and sell our consumer businesses such as crisps. But I admit our execution of the merger has been poor," he said yesterday.

Dalgety's agribusiness has also been hit by the wet weather in June, which reduced demand for fertilisers.

After inspecting the books Dalgety's new finance director, Ken Hanna, has decided to provide £58m to cover a write-down in the value of some of Dalgety's assets and a clutch of businesses that are already up for sale.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996/97 High	1996/97 Low
FTSE 100	4758.50	-52.20	-1.1	4831.70	4056.80
FTSE 250	4400.80	-26.10	-0.6	4729.40	4400.80
FTSE 350	2285.00	-23.00	-1.0	2320.90	2017.90
FTSE SmallCap	2217.26	-7.10	-0.3	2374.20	2178.29
FTSE All-Share	2235.66	-21.76	-1.0	2269.36	1989.78
New York	7826.34	+67.85	+0.9	7895.87	6032.94
Tokyo	19553.89	+148.72	+0.8	20881.07	17303.85
Hong Kong	14792.17	-66.41	-0.4	15196.79	12055.17
Frankfurt	4006.40	+33.56	+0.8	4006.40	2848.77

INTEREST RATES					
Index	1 Month	3 Month	6 Month	1 Year	Long Bond
UK	6.81	7.44	7.03	7.97	7.06
US	5.85	5.97	6.26	7.02	6.38
Japan	0.53	0.81	2.33	3.27	-
Germany	3.06	3.21	5.50	6.81	2.80

CURRENCIES					
Index	Yesterday	Change	Year Ago	Index	Yesterday
\$ (London)	1.6811	+0.05c	1.5551	£ (London)	0.9313
\$ (New York)	1.6892	-0.03c	1.5570	£ (New York)	0.9320
DM (London)	2.9715	+3.22p	2.3761	DM (New York)	1.7572
¥ (London)	180.401	+¥1.094	172.432	¥ (New York)	112.590
₹ (London)	104.2	+0.9	86.7	₹ (New York)	104.2

Source: FT Information

سكوا من الاموال



COMMENT

As a direct result of Gordon Brown's Budget measures, we are now faced with the prospect of one of the most unfair corporate taxation systems anywhere in Europe

Why Brown needs to rethink corporation tax

Britain now has the lowest rate of corporation tax of any of our main competitors, and, at just 31 per cent, the lowest rate ever in the UK. Gordon Brown proudly announced in his Budget speech that was quite a boast for a Labour Chancellor to be able to make, and he did so in the context of a Budget which stressed the importance of "fairness" in taxation policy, of equipping the country for the future with "a modern taxation system based on principle".

Noble thoughts indeed. Unfortunately – and for some reason the Chancellor didn't mention this – they don't quite accord with the reality. As a direct result of his Budget measures, we are now faced with the prospect of one of the most unfair corporate taxation systems anywhere in Europe, one held together with bits of string and Sellotape, and one which in parts is so discriminatory that it might even fall foul of European law.

What's caused the problem is those wretched things, tax credits on dividends. By abolishing the credits but at the same time leaving the old connected system of advance corporation tax (ACT) in place, the Chancellor has created a whole raft of new anomalies in the tax system. Lasso, the oil and gas company, has become the latest in a long line to write to the Chancellor warning of dire consequences if he doesn't do something to correct the position before it comes fully into force two years hence. In terms that admittedly seem just a little alarmist, Joe Darby, the chief executive, says the very independence of Lasso and many other successful interna-

tional British companies are put at risk by the proposals.

Actually this doesn't seem very likely in Lasso's case, since the net effect of the measures would be to increase its tax bill by only £2.5m a year. Some of the other predicted consequences, such as a mass exodus of companies to overseas domiciles, also seem exaggerated. The point is reasonably made all the same. British companies which don't earn much in the way of profits in the UK stand to get taxed twice, once on their earnings overseas, and a second time by way of advance corporation tax on dividends paid in the UK.

This is actually the situation that used to obtain before 1993, when Norman Lamont introduced his Foreign Income Dividends (Fids) scheme allowing companies that pay their dividends out of overseas earnings to reclaim the ACT. Now we are about to return to the bad old days.

It would be tempting to view this as just a soon-to-be-corrected oversight by the Treasury, as some executives do. Already the Government has made clear that the mirror system protecting overseas companies operating in Britain from ACT will be unaffected. Just as well, that, otherwise most of the City might have uprooted and moved to Frankfurt. But are we really now to have foreign companies better treated than British ones?

The truth of the matter is that the Chancellor has got his knickers in an awful twist over this. The reason is not hard to fathom: it is the usual one of revenue raising, for the abolition of Fids could be worth anything up

to £500m a year to the Treasury. To disentangle himself will therefore cost him dear. In the interests of fairness, however, he needs to address it. He's in danger of introducing an excessively complex, random and discriminatory system of corporation tax. It hardly accords with all those fine words.

It looks like Year Zero for GEC

Quite what Lord Weinstock makes of GEC Mark 2 was being kept under wraps yesterday but, like all dowagers parted from their estates, it is a fair bet that he is less than overjoyed by what the young(ish) pretender George Simpson proposes to do with his inheritance. Not content with tearing up the Weinstock lines of management reporting and clearing out his boardroom cronies, the new managing director of GEC is unspooling the very foundations on which the group has been built. Good God, he is even threatening to give cash back to shareholders, unless a better purpose is found for the company's famous cash pile.

These are the actions of any new recruit drafted in to manage the business on behalf of shareholders and destroy all vestiges of the old feudal kingdom. The sense that this is Year Zero for GEC is best symbolised by the departure from Stanhope Gate, its headquarters from the very earliest Weinstock days, in favour of new premises in another corner of Mayfair, where, incidentally, there will be no billet for GEC's chairman emeritus.

In GEC, Mr Simpson has inherited one of a small number of British companies which can realistically claim to be world class. But its track record demonstrates painfully that joint venturing is not the way to maximise shareholder return. GPT, the telecoms joint venture with Siemens, and GEC-Alsthom in power engineering, were created to protect GEC from takeover and compensate for its lack of world beating technologies in gas turbines and telecoms. (Who remembers System X?) Not surprisingly, they have proved lousy at maximising shareholder returns.

So, provided Mr Simpson can persuade the French to his way of thinking, GEC Alsthom will be hived off, GPT "repositioned" and the defence business Marconi turned via acquisition into a fighting force fit to take on the Yanks. Talking strategy is the easy bit. Delivering is another. Most interesting will be to see how Mr Simpson fares with Marconi. He would love to marry it to Thomson CSF of France, or an American defence electronics company. Unfortunately French political chauvinism and Pentagon black programmes bar his way. What about GEC's old flame of British Aerospace? Here again Labour's dislike of mergers may block his path. As his predecessor could not doubt tell him, at GEC there are no quick fixes.

shadow of its Mounted 1980s self, Sears is all set for break-up. Now Burton is going the same way. A genuine strategy for building shareholder value? Or just another manoeuvre to distract attention from the group's underlying weaknesses?

In Burton's case, there was never much logic to Sir Ralph Halpern's lumbering creation. The similarity between department stores and high street fashion chains are few and far between, as Sears has found. The problem with Burton has been that one of its two divisions always seems to have dragged the rest down. When Sir Ralph pulled off the Debenhams deal in 1985, it was Debenhams itself that was crumbling. Now it is the other way round.

John Hoerner may, as a consequence, be doing the right thing here. Analysts are pencilling in a value of 100p per share for a standalone Debenhams and 50p for the multiples, which is quite a premium to yesterday's close of 125.5p. Some number-crunchers are even talking about the two businesses being worth a combined £2.3bn, against £1.8bn now.

Maybe. Certainly it is a relief that Mr Hoerner is taking on the more difficult of the two management tasks, the multiples. For all the talk of future valuations, the amiable Nebraska will have to work a special kind of magic on a group of chain stores that combine poor margins, relatively weak brands and high costs. Cutting the latter may be easy. Building the other two will be a good deal tougher.

Hoerner faces a tough task at Burton

Another retail conglomerate is biting the dust. Storehouse is a slimmed down

Debenhams to be spun off as Burton regroups

Nigel Cope
City Correspondent

Burton Group is to become the latest conglomerate to take the demerger route by spinning off its Debenhams department store business into a separately quoted company. Burton said the demerger would create shareholder value, reduce costs and allow management to devote more attention to the multiples businesses which include Burton Menswear, Dorothy Perkins, Evans, Top Shop and Principles. The demerger will take place next March subject to shareholder approval.



John Hoerner: Will not mourn the end of Burton

The multiples businesses will be grouped together in a new company under a new name which has yet to be decided. It will be led by John Hoerner, the group chief executive. Debenhams will be run by Terry Green, its current chief executive.

The demerger will mean the disappearance of the Burton name as a corporate entity nearly 100 years after Montague Burton set up his first men's tailoring shop in Chesterfield in 1900. It also sees the break-up of the group developed in a headlong dash for growth in the 1980s by Sir Ralph Halpern, the "five times a night" chairman, whose personal life became the stuff of tabloid newspapers.

Mr Hoerner yesterday denied that the company was simply following the demerger fad which has seen companies like Thorn-EMI, Hanson and Sears, take similar action.

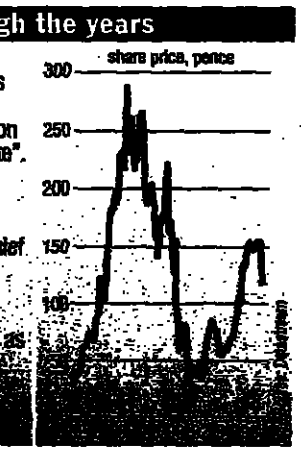
"We looked at a demerger in 1994 but decided that the multiples business was not sufficiently well developed. Since then, the profits have improved by £80m, the debts are down

close to their 12-month low in recent weeks. Yesterday the shares jumped 10.5p to 125.5p.

City analysts were divided on the merits of the move. Nick Bubb, of Société Générale Strauss Lombard said: "It's very good news. The central issue with Burton has been that the value and growth of Debenhams has been rather buried inside the group."

He said a separately quoted Debenhams could be worth around 80p per share while the multiples business could be worth around 50p. However, John Richards at NatWest Securities questioned whether a demerger was really necessary to cut costs and develop a more flexible management structure.

The demerger is likely to mean job cuts and a significant reduction in Burton's £1bn cost base. Around 3,000 of the group's 43,000 employees work at the head office. One early departure is Stuart Rose, the chief executive of the Burton Menswear, Dorothy Perkins and Evans subsidiaries.



- 1900-Montague Burton, a Lithuanian immigrant, sets up his first shop in Chesterfield.
- By the 1940s there are 600 Burton shops styled as "the tailor of taste".
- 1952-Montague Burton dies.
- 1961-Ralph Halpern, 23, joins Burton in Leeds.
- 1978-Ralph Halpern becomes chief executive.
- 1988-Wins £570m battle for Debenhams.
- 1990-Sir Ralph Halpern replaces as chief exec.

The company declined to specify the number of redundancies, the level of cost savings or the likely costs of the demerger. "We are only at the beginning of this process," Mr Hoerner said.

The financial details of the demerger have yet to be decided. However, it is expected that existing shareholders will be given one share in each of the two companies. Currently, there are 92 branches of Debenhams and 25 concessions. These recorded a profit of £103m on sales of £988m last year. There are 1,369 multiples and 117 concessions. These recorded a profit of £59m on sales of £1bn.

Mr Hoerner, who will maintain his £1m a year salary in his new position, said the portfolio of the multiples would be rejigged. "The new structure means that if I want to open 50 more branches of Racing Green by taking 10 from Dorothy Perkins and so on, then I can."

He said he would not mourn the passing of Burton as a corporate entity. "Absolutely not. As far as I'm concerned, the Burton group is not something I have a great deal of affection for."

Even so, the decision to demerger the company marks the end of yet another retail conglomerate, with Sears set to demerger its Selfridges next year. It also marks the end of the grand creation of Sir Ralph Halpern, whose reign as chief executive in the 1980s came to symbolise the entrepreneurial glamour of the Thatcher era.

Sir Ralph was a former Selfridges trainee whose parents lost their fortune when they fled Austria to escape the Nazi regime. Under his tenure, Burton expanded rapidly to in-

clude not just Burton Menswear and Top Shop but Dorothy Perkins, Principles and, in his biggest deal, Debenhams in 1985.

Conducted in controversial circumstances, Sir Ralph sealed the £570m deal by securing the backing of Gerald Ronson whose Heron group held a major stake. Through the Debenhams acquisition, Burton even once owned Harvey Nichols.

While the company grew, Sir Ralph led the life of the executive playboy, with a £1m a year salary, fast cars and organ sessions (he had a Yamaha synthesiser in the basement). His name became legend when he was linked with the young model Fiona Wright and the "five times a night" headline was born.



An Eighties legend: Sir Ralph Halpern (second from left) who kept Burton in the headlines with its rapid growth and his playboy lifestyle. Photograph: Dave Benner/Alpha

Woolwich members lose out in first share auction

Tom Stevenson
Financial Editor

Former Woolwich members who opted to cash in their windfall shares immediately look certain to raise much less than they had asked for a share certificate and sold in the market on Monday.

The first auction that will determine how much they receive for their shares produced a disappointing average price on Monday night.

The first auction of unwanted Woolwich shares to pension funds and other institutional investors resulted in a lower-than-expected average price of 315.35p, well below the 373.5p

the shares reached in first dealings.

The actual price immediate sellers will receive will be the average of Monday night's price and those achieved in three further sales this week.

The announcement of the price sent Woolwich shares sharply lower, dragging the rest of the previously high-flying banking sector down as well. Having fallen from their early high to Monday's close of 334p, the shares tumbled again yesterday to close at 301p.

Abbey National shares fell from 876.5p to 845.5p, while NatWest tumbled from 881p to 843.5p. Recent flotations fared better with Alliance & Leicester

down just 0.5p to 613p and the Halifax 5p lower at 781.5p.

The poor showing by Woolwich yesterday was no surprise to analysts, who have warned that the shares are overpriced even by the standards of the banks sector, which has soared more than 35 per cent this year.

One analyst said: "We don't see any short-term support above about 270p, but having said that, bid rumours will persist."

Woolwich is widely seen as a likely bid target with its heavy exposure to the booming Southeast housing market.

At 315p, the average windfall of 657 shares would be worth just over £2,000.

German jobless rate rises

Inna Karacs
Bonn

Unemployment in Germany rose again slightly in June, dashing hopes of a long-awaited improvement in summer. Figures released by the Federal Labour Office showed a rise of 11,000 to a seasonally adjusted 4.37 million, or 11.4 per cent of the working population.

Disappointed officials sought solace in the fact that all the jobs were lost in the former East Germany. In the west, seasonally adjusted unemployment fell by 1,000 to 3,041 million.

"We are seeing signs of stability particularly in West Germany," said the Labour Office. "Economic improvement is progressing, but there is still no turnaround in the jobs market."

The disastrous state of the construction sector was blamed for the disappearance of jobs in the east. Tax changes at the beginning of the year have hit the building industry hard, and the slowdown in post-unification projects has cost a large number of jobs. Cuts in the budget of make-work schemes have brought some previously hidden unemployed into the statistics.

Officials expect the labour market to stagnate through the summer and hope for an improvement in September.

OECD lukewarm on job policies

Diane Coyle
Economics Editor

The Organisation for Economic Co-operation and Development gave a lukewarm assessment of the Government's jobs policies yesterday.

In its annual Employment Outlook it backed the UK's new emphasis on improving education and skills. But the organisation, a fan of the jobs market deregulation, singled out the flexibility of the UK's labour market for praise.

The report predicted this meant UK unemployment would fall to 5.6 per cent on the internationally accepted definition next year, one of the lowest jobless rates among the 29 member countries. By contrast, it expected Germany and France unemployment rates to fall very little from their current heights.

The report admitted: "Many workers are trapped in a cycle of low pay and no pay."

But it warned there was "scant" evidence that either a minimum wage or extended

top-up benefits for the low paid, both of which the Labour government plans to introduce, would improve work incentives and relieve poverty.

The Budget is unlikely to do much to reduce unemployment, according to a separate report published by the Council of Churches yesterday. It concluded that providing good quality work for all who wanted it would require a much bigger increase in public spending than the schemes financed by the windfall tax.

MJN 233M

"The Ultimate 233MHz MMX" System

MJN's 233M sets a new standard for high performance 233MHz MMX™ multimedia systems at a truly sensational price of just **£1249 + VAT.**

MJN 233M Offer end date 25th July

- Intel® Pentium® 233MHz processor with MMX™ technology
- 512K pipeline burst L2 cache
- 32Mb EDO RAM; expandable to 128Mb
- 3.2Gb enhanced IDE hard drive
- 33.6 V34+ modem/Internet modem
- 15" SVGA 0.28mm pitch Hi screen (17" optional)
- ATI Rage II 3D graphics with 4Mb Video RAM
- 16 Mb CD-ROM drive
- Creative Labs SoundBlaster 32 hardware WaveTable soundcard
- Premium quickshot speaker system with remote adaptor
- Mid tower system unit (38w/42w/7 cm) with total of 7 drive bays
- Intel® 430 advanced plug'n'play chipset with Flash BIOS, V.2000 compliant, 2 serial ports, parallel port and games port
- 5.25" 4.44Mb floppy drive
- 105 Windows 95 keyboard and PS/2 mouse
- Microsoft Windows 95
- Lotus SmartSuite 97

Key Performance Features

233MHz MMX™ Processor

The new Intel® Pentium® 233MHz Processor with MMX™ technology is the fastest Pentium MMX processor available from Intel and best suited to multimedia use. Pentium Pro or Pentium II systems are presently more suited to business uses and work best with Windows NT.

3.2Gb EIDE Hard Disk

High performance enhanced IDE hard disk provides superb performance and plenty of storage capacity.

ATI 4Mb 3D Graphics

ATI is the leader in high performance graphics and the superb Rage II 3D graphics accelerator with 4Mb dedicated graphics Video RAM yields the fastest performance we have ever seen together with full-screen full-motion MPEG video.

SoundBlaster 32 WaveTable

Creative Labs SoundBlaster 32 hardware WaveTable standard provides the best sound for all your multimedia applications and is far superior to standard 16-bit cards.

32Mb EDO RAM

32Mb is now regarded as the standard for high performance multimedia. You should not consider anything less.

15" or 17" Hi Screens

Superb quality 0.28mm pitch Hi screen yielding upto 1280 x 1024 resolution is included as standard to make the maximum of the ATI graphics system. Optional larger 17" screen model also available.

33.6 V34 Voice Modem

High performance 33.6 V34+ modem using Rockwell Advanced Simultaneous Voice and Data chipset provides full fax, data, Internet and voice mail facilities with answerphone. Other 233MHz systems do not include such a high specification modem as standard.

Intel Chipset Motherboard

Advanced Intel 430 Chipset with 512K pipeline burst cache provides the ideal performance platform. A 166MHz version of this system was the fastest 166MHz ever tested by PC Data Magazine (Current August issue pages 95-100. Available on newsstands now).

£1249 Plus VAT

£1467.58 Including VAT

17" screen model: £1389 + VAT £1643.83 inc. VAT Model: 572

Printer Option: Epson Stylus color 200 720 x 720 dpi inkjet printer £129 + VAT = £151.58 inc. VAT (select required cable option).

MJN Millennium Models

MJN Millennium models are only £30 + VAT = £33.63 inc. VAT extra and include Joystick, Microphone and over 18 CD multimedia titles including 5 titles designed for MMX technology. The best collection of leisure and educational software! Model 15": 573 Model 17": 574

MJN INTEREST FREE OPTION

BUY NOW PAY LATER

Only on Millennium models

0%

Example: Payday £361.33 (10% deposit and 9% interest) over 36 months. After 6 months you can stop paying - cash price = £229 + £30 + £25 delivery = £284. Finance also available over longer periods of 24, 36 or 48 months. Finance is subject to credit checks. When asked, we attach an invoice.

MJN

The right choice™

01282 777 555

Telephone Sales Lines Are Open Mon - Fri 8.30am - 7.00pm Sat 9.00am - 5.00pm

MJN Technology Limited, Garsdale House, Blackburn Road, Sarncliffe, Bolton, Lancs. BL8 2JL. Tel: 01282 77 68 44.

All prices include delivery (£25 + VAT £28.35). Software applications are provided on CD or pre-installed onto your PC. Delivery charges are extra. Prices are shown for delivery to your home only. Goods are normally dispatched within 51 days. All orders will be fulfilled within 30 days unless otherwise stated. Specifications, prices and payments are subject to change without notice. Products subject to availability. Only copies of which are available on request. The Intel logo and Pentium are registered trademarks and MMX is a trademark of Intel Corporation. The MJN logo is a registered trademark of MJN Technology Limited. SAGE.

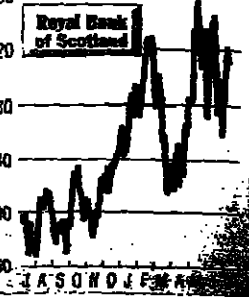
market report / shares

Data Bank

FTSE 100	4758.5	-52.2
FTSE 250	4400.8	-26.4
FTSE 350	2285.0	-23.0
SEAQ VOLUME	885.3m shares	
52,239 bargains		
Gifts Index	97.18	-0.10

Share spotlight

share price, pence



Manufacturers retreat in the face of rate rise fears

MARKET REPORT

DEREK PAIN

stock market reporter of the year

The prospect of higher interest rates rattled equities. They fell for the third day running as the stock market braced itself for an increase, perhaps by as much as half of a percentage point, tomorrow.

Once again it was the remnants of Britain's industrial might which suffered the hammer blows. Most of the manufacturing groups still in Footsie were hit and producers accounted for more than half of the heaviest falls in the supporting FTSE 250 index.

Engineers and the rest had to contend with yet another storming, profits-sapping display by sterling on the foreign exchange market. Higher interest rates are likely to increase their agony. Yet the stronger-than-expected June inflation figures merely strengthen the case for dearer money.

General Electric led the retreat, although most of its 24.5p fall to 353p reflected dis-

appointment its reshaping moves were not as clear cut as hoped. Others suffering the direct impact of sterling included TFL 19p to 456.5p, Weir 15p to 221.5p, and Glyndwr International, 9.5p to 211p.

Footsie ended down 52.2 points at 4,758.5 with the supporting indices also weak.

Superstores was one of the few sectors to make headway. Asda rose 2.75p to 137.5p; Safeway 7.5p to 375p; J Sainsbury 8.5p to 388p and Tesco 8p to 408.5p.

BZW created the interest. Its analyst, Bruce Hubbard, said food retailers were relative budget winners, faring better than the market as a whole. Burton, on its demerger, gained 10.5p to 125.25p.

Financials had an indifferent session, weighed down by the collapse of Woolwich, off 33p to 301p. The shares touched 373.5p in first time dealings.

The Woolwich decision to



action shares after the market has closed clearly gives institutions an irresistible chance to dampen exuberance and the price they then offer.

Abbey National softened 31p to 845.5p; Prudential Corporation 17.5p to 605.5p and National Westminster Bank 37.5p to 843.5p.

There were some intriguing trades in Cater Allen, the financial group which has attracted an agreed Abbey bid. Deals went through at a little below the bid price, indicating Abbey buying, or just possibly, a counter bidder was preparing for action.

Royal Bank of Scotland eased 6.5p to 615.5p; Tiger

Management, a New York fund manager, has lifted its stake to 5 per cent. It has acquired 2 per cent of the capital since February.

Lasmo flared 10p to 377.5p after chief executive Joe Darby warned the abolition of foreign income dividends would leave Britain's international groups "sitting targets" for overseas predators.

Cairn Energy rose 5p to 484.5p. Société Générale said the recent 25 per cent fall provided a buying opportunity. Shell fell 17p to 426.5p with US securities house Bear Stearns said to be negative.

SmithKline Beecham and

Zeneca shaded as NatWest Securities was thought to have lowered profits estimates. It cut SB figures from £1.74bn to £1.66bn and from £2bn to £1.95bn and Zeneca from £1.15bn to £1.11bn and from £1.35bn to £1.31bn. SB fell 1.5p to 1,168.5p and Zeneca 11.5p to 2,020p.

BT lost 8p to 483.5p. Lehman Brothers cut its forecast but thinks the shares will outperform.

BSkyB's retreat continued, off a further 11p to 428.5p. Various trading warnings took their toll. Deagly, the pet food group, fell a further 39p to 122.5p after producing its second negative statement in three months. Among others sounding warnings was Renishaw, an electronics group, off 62.5p to 730p. It said profits would be down around £4.5m because of sterling.

Warnings also hit Gresham Computing 8.5p to 36p and The Rack 3p to 144p.

Warford Investments, a low-profile property group, hardened 22p to 250p as rival Shaftbury acquired a 10.32 per cent from Co-operative Insurance. Engineer Norman Hay jumped 8p to 36.5p; the company said its Heathrow site had been cleared for redevelopment by the Environment Agency and the property would be sold.

Haestocell, the struggling healthcare group, held a 3.25p; chairman Brian Long picked up 200,000 shares, lifting his stake to 4.3 per cent. The company has launched a German range of wound treatment products.

On Olex Display IT, the Internet financial information group, slumped 50p to 310p; the shares have come down from 810p. Another Olex company, Aberdeen Steak Houses, held at 69.5p after reporting year's profits down from £2.2m to £227,000.

Taking Stock

Watch International Greenings. The supplier of own-label gift wrap and greeting cards intends to adopt a higher profile. After a quiet spell on AIM it is thinking of a full listing and planning acquisitions. Profits in the year ended March jumped 58 per cent to £5.1m and the company's stockbroker, Neilson Cobbold, is looking for £5.5m this year. The shares rose 10p to 285p; they were floated at the equivalent of 150p in November, 1995.

Alliance Resources, a company with an erratic record, has attracted glowing comments from stockbroker Williams de Broe.

Its share price target is 50p; they are now 31.5p. Alliance, a US oil and gas business, has been reshaped and achieved new backers, including Bank of America. Its assets are put at 77p.

Stock	Price	Change	Stock	Price	Change	Stock	Price	Change	Stock	Price	Change
Alcoholic Beverages			Chemicals			Food Manufacturers			Health Care		
Banks, Merchant			Electronics			Household Goods			Insurance		
Banks, Retail			Engineering			International			Life Assurance		
Engineering Vehicles			Investment Companies			Life Assurance			Property		
Extractive Industries			Investment Trusts			Pharmaceuticals			Support Services		
Leisure & Hotels			Other Financial			Printing & Paper			Tobacco		
Media			Telecommunications			Retailers, Food			Transport		
Oil Exploration			Retailers, General			Utilities			Water		
Oil, Integrated			Textiles & Apparel			Rights Issues			Recent Issues		

HOW CAN I MAKE the most of my savings and investments?

TURN TO Travel and Money

Amstrad
against

Life's a

business

Regional brewers replenish profits

The performance of regional brewers over the past five years must have left shareholders crying into their pints. The four largest regional brewers, Marston Thompson and Evershed, Wolverhampton and Dudley, Greene King and Vaux, have all underperformed the stock market by at least a third.

The reasons are easy to understand. Brewing has become consolidated in fewer and fewer hands. A series of takeovers and mergers has left the four biggest brewers controlling more than 80 per cent of the market. But the beer market is in decline. The larger players have responded by cutting prices, squeezing the regionalists in the process.

If that was not bad enough, demand for cask ales, the staple fare of the local brewer, has fallen sharply in recent years. Cask ale volumes slumped 12 per cent last year. They are being replaced by new, smooth, creamy nitroleg beers.

But this market is already dominated by leading brands such as Caffrey's and John Smith's. The regional brands have tried to compete by introducing their own brands, but their efforts have met with mixed results.

While the market has focused on flat beer profits, the real engine for growth will come from the brewers' burgeoning pub estates. Admittedly, the regionalists were slow to tap into the explosive growth of the so-called theme pubs which are replacing the traditional British boozer. But they are fast catching up with the main brewers. Greene King, which recently bought the Magic Pub chain, and Marston's, the new owner of the Fitcher and Piano outlets, are rolling out new brands with a passion. Others are following suit.

The regional brewers are also pumping more cash into their long-neglected remanent pub estates.

This pub investment is typically yielding returns of over 20 per cent. And the demand for new venues shows no signs of slowing. A strong economy and the growing trend for punters to eat pub grub while supping a pint should continue to bolster regional brewers' earnings.

Marston's is a case in point. Managing director David Gordon admits he paid a hefty price for the Fitcher and Piano chain last year, but the aim was to acquire a pub concept that could be rolled out across the country. Profits rose 8 per cent to £29.5m for the year to March and Pannure Gordon forecasts the expansion of the Fitcher and Piano brand should push current-year profits up to £34m, putting the shares on 10 times earnings.

Some of the titchy brewers with poor pub estates, such as Gibbs Mew, which

THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

recently announced disappointing results, will probably continue to struggle. But most of the larger regionalists typically trade at a discount of at least 25 per cent to the market. They deserve a re-rating.

Bespak is looking to the future

Peter Chambré, chief executive of Bespak, isn't wasting any time. Since joining the asthma inhaler and valve manufacturer in 1994, Mr Chambré has mopped up some nasty messes left by the old management, notably a potentially crippling contract with ML Laboratories, and has brought Tenax, the ill-fated US components acquisition, back to profit.

Satisfied that recovery is on track, Mr Chambré is now looking forward. Accompanying its full year results, the group announced a substantial investment programme over the next three years to boost its manufacturing capacity, prepare for the required change to ozone-friendly inhalers by

the year 2000 and broaden into new drug delivery areas.

This will not be cheap. Mr Chambré expects to increase capital spending from the current £5m to around £13m in the current year and around £10m in each of the next two years.

Research and development spending will also rise from the current 2.3 per cent of sales to around 4 per cent as the group investigates new areas of drug delivery such as intranasal devices.

However the money will be well spent. The group is already sole manufacturer of Glaxo's dry powder inhaler and will spend around half the extra capital increasing capacity in the UK to satisfy demand. The Glaxo contract helped.

Bespak grew UK profits by 27 per cent to £9.6m in the year to May. Total profits, excluding exceptionals, rose 26 per cent to £11m.

The rest will go on new plant and equipment to help customers which use its inhaler valves in aerosol sprays to switch to ozone-friendly HEA propellants, something that will be compulsory by the year 2000.

While there will be a short-term cannibalisation of aerosol valve sales,

the move will ensure Bespak retains its firm position in the inhaler valve market, particularly in the US, where the group already supplies all five companies selling generic asthma drugs.

Analysts have edged forward 1998 profit forecasts to around £29.6m. On an unchanged share price of 567.5p, the group's shares are on a forward p/e ratio of 17. Still good value.

Overseas buyers boost Savills

Savills' strength in the London market meant it had a stonkingly good 1997. London residential property prices have risen by a staggering 25 per cent over the past year with the capital's commercial sector prices enjoying around 10 per cent growth. Happily for Savills, three-quarters of its residential portfolio and half of its commercial property is London-based.

Strong demand from expatriates and overseas buyers, especially Chinese from Hong Kong and Singapore, helped push the group's profits ahead by 84 per cent to a record £7.6m for the year to April.

Business is also pretty good in the Docklands area, where Savills made almost a fifth of its total sales and prices increased by over 20 per cent. Turnover rose 37 per cent to £54.8m with margin on sales increasing from 9.2 per cent to 13.0 per cent.

The number of deals transacted in the commercial and residential agencies each rose by 60 per cent. Savills' land and property division grew profit by 84 per cent to £4.4m on a turnover of £35.1m. The commercial division did even better, more than doubling profit to £2.9m on turnover of £18.7m. The small but growing financial services division made £549,000, an increase of almost 50 per cent.

The new year has started strongly and the chairman of Savills, Richard Jewson, does not believe Budget changes to stamp duty and mortgage tax relief will dampen enthusiasm in the London property market. Mortgage broking and insurance services will be introduced in the autumn.

These results comfortably beat house broker Hoare Govett's forecasts for this year and next. The group's shares have come a long way from the low of 45p in 1995. They rose 5.5p to 117.5p yesterday, putting them on a prospective multiple of around 10. Cheap given good prospects for the property cycle.

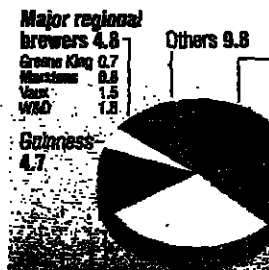
Marston Thompson and Evershed: At a glance

Market value: £250m, share price 277.5p (+7)

Trading record	1993	1994	1995	1996	1997
Revenue (£m)	20.1	23.3	24.6	27.3	29.5
Pre-tax profits (£m)	20.1	23.3	24.6	27.3	29.5
Dividends per share (p)	5.40	5.96	6.56	7.30	8.03

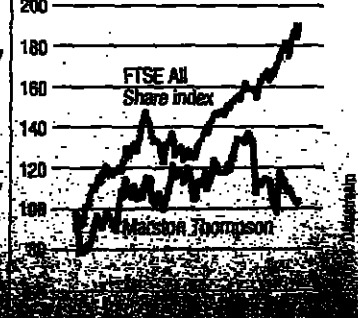
Share of UK market

production share, %



Share price and the market

rebased, July 1992=100



Amstrad set to appeal against Seagate award

Clifford German

Amstrad claimed yesterday that the High Court had miscalculated how much interest the company was owed from its long-running legal action against Seagate of the US, and said it would lodge an immediate appeal against the £28m it was awarded.

The interest award comes on top of £57.5m damages that Amstrad won in May after the High Court agreed that Seagate had supplied the company with faulty hard disc drives which led to the failure of Amstrad's PC2386 office computer.

Amstrad, chaired by Alan Sugar, had originally claimed damages of £110m plus interest for the loss of profit on actual and potential sales of the PC2386 in 1990 and 1991, plus the cost of buying new hard disc controllers to replace the original equipment which Seagate had wrongly blamed for the failure of the disc drives.

Seagate was also blamed by Amstrad for the failure of its bid to enter the office computer market, and the subsequent collapse of customer confidence in its computer products.

A spokesman for Amstrad said yesterday that the company believed the revised damages total, including interest rolled up since 1989, should be at least £95m. It will now go back to court claiming that the way in which the interest and tax liabilities were calculated was incorrect. Seagate has also been granted leave to appeal the decision, which could result in the legal fight rumbling on for another couple of years.

Lawyers acting for Amstrad in the UK and US will decide within the next few weeks whether to proceed with a separate action for punitive damages against Seagate in America. If this case goes ahead, Amstrad will allege that Seagate's actions in supplying faulty equipment and failure to

admit liability constitutes fraud, for which the courts can award punitive damages of up to four times the commercial costs.

Amstrad is also taking proceedings in the superior court in Orange County, California, against Western Digital, another US supplier of hard disc drives. The company alleges the disc drives were also faulty, and is claiming damages of £70m.

The eventual proceeds of the law-suits could be worth up to 100p-a-share to holders of Amstrad's 116 million shares, which gained 2.5p to 286p yesterday. Last month shareholders approved plans to break Amstrad up and offer holders a mixture of shares in Betacom, its existing quoted subsidiary, Viglen, a newly quoted company which would carry on the personal computers business, plus a loan note worth 163p a share. Shareholders would also retain the right to the proceeds of the legal settlements.

IN BRIEF

• Frogmore Estates is buying Axa Equity & Law Life's portfolio of 109 properties for £92.2m. The properties generate an annual rental income of £9m. Frogmore will retain nine properties as investments and sell the rest over the next two years. Frogmore will raise £25m via a vendor placing of 4.59 million new ordinary shares and finance the balance from bank facilities. It also has the exclusive right for the next few months to negotiate to buy another 56 properties, with an annual rental income of £5.9m, for up to £60m.

• Shares in Renishaw dived from 342.5p to 280p after the electronic equipment group warned pre-tax profits for the year to 30 June were expected to fall to £17.5m, compared with £20.1m for the previous year, as a result of the strength of the pound. Sales for the year were £81.3m, a 6 per cent rise. Sales would have been up 14 per cent and profits £4.5m higher if exchange rates had remained at a similar level through the year.

• Lincoln Independent, the financial advisers, has been fined £75,000 and ordered to pay £10,000 costs by the Personal Investment Authority for failing to clear up its personal pension mis-selling cases according to the regulator's guidelines. The problems surfaced after an inspection visit by the regulator's pensions monitoring team. The company, formerly called Laurentian Independent Financial Planning, was taken over by Lincoln in 1995.

• Crown Products Group will show a substantial loss in the first half of 1997. It added that an expected return to profit in the second half would not outweigh the loss. Among measures being taken, the company has made an unspecified number of redundancies at Humkory, the domestic gift subsidiary. Plus, the group's playground equipment business will be sold.

• Scottish Power has appointed Mike Kinski as chief executive of power distribution and water operations with overall responsibility for Southern Water, Manweb and Power Systems. The director Ian Russell will become chairman of Scottish Telecom.

Life's a gas for former defence minister

PEOPLE & BUSINESS

Michael Portillo has got a new job at Kerr McGee, the giant American oil company based in Oklahoma, I hear. Senior Portillo has bagged a "senior management position in the exploration department" because, according to a source close to the company, the former defence minister is "an expert in gas".

Quite so. Mr Portillo worked for Kerr McGee in the 1980s. His new job gives him responsibility for international business development.

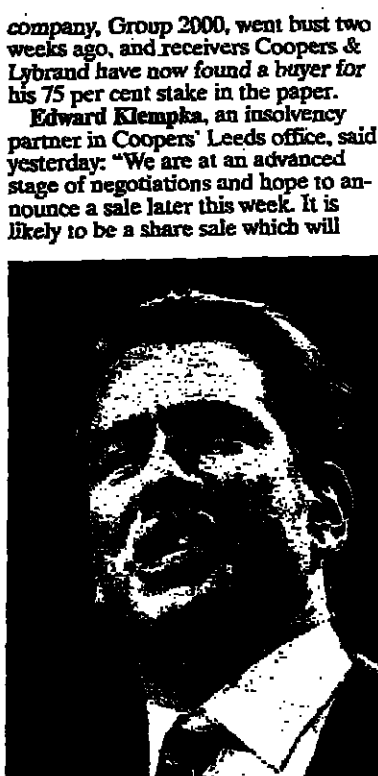
Hang on a minute. How does this square with Mr Portillo's oft-reported remarks this week that "I have politics in my blood - I want to get back to help Hague"?

He can't stand for election and prospect for gas in Alaska at the same time. Or can he? It would certainly make a change from his current job as part-time commentator for a TV series on English country houses.

Sunday Business is about to be sold and could very well end up back in the hands of its original founders, Tom Rubythorn and Anil Bhoyral.

Since its launch 16 months ago the paper has gone through a number of owners and settled on a circulation of around 20,000, as opposed to the 150,000 envisaged by Mr Rubythorn at launch.

Its latest majority owner, Gordon Brown, a businessman from the North, has problems of his own. His



Good prospects: Michael Portillo

company, Group 2000, went bust two weeks ago, and receivers Coopers & Lybrand have now found a buyer for his 75 per cent stake in the paper.

I hear from other sources that last Friday there was no cash to pay the journalists or the printers, and it was the founding duo, messrs Rubythorn and Bhoyral, who came up with the £100,000-plus needed to get the paper out and pay salaries.

As for Luke Johnson, son of the right-wing columnist Paul Johnson, who owns the other 25 per cent of *Sunday Business*, some people think he wants to sell out. But anything could happen in this tangled tale.

To De La Rue's offices off the Strand, London, for a talk by the company's security paper guru, John Haslop, titled "Banknote Substrates".

Contrary to its unimpressive title, Mr Haslop's thoughts on the future of making banknotes counterfeit proof were fascinating. For one thing, the cashless society is a myth and will probably never happen, according to Mr Haslop: banknote use is increasing by 3 to 4 per cent a year in the UK. Cheques are being replaced by credit and debit cards, but many people still prefer old-fashioned cash.

Well, I suppose De La Rue, which supplies the paper for 150 national currencies, would take that line. But

Mr Haslop could be right. He illustrated his talk with Australian banknotes, which for years have been made from very un-De La Rue plastic. Apparently forgers have found ways of removing the print on the plastic and replacing it with the image of higher-denomination notes.

This criticism gets short shrift from an Australian colleague of mine, who says plastic notes are cleaner and last longer than paper notes. Oh, and "you can scrape the Queen's head off them with a coin". Disgraceful! Let's hope for a few nasty bouncers from Darren Gough.

Here's a spot of shameless puffery for a former colleague: David Bowen has launched his own monthly newsletter titled *net profit - unangling the Internet for business*. The newsletter's title is in lower case in order to resemble an Internet address. Either that, or David's keyboard has a dodgy caps key. Anyway, the July issue ranks a number of new corporate web sites in order of usefulness, and gives a five-star rating to Persil.

More worryingly, the newsletter reveals that 71 per cent of Internet users in Britain are men. Is the information superhighway just an excuse to access swimwear catalogues? You can find out more on *net profit's* web site at <http://www.net-profit.co.uk>.

John Willcock

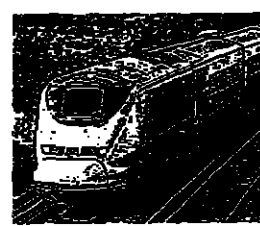
The benefits of BusinessFirst can be realised immediately.



Now so can the rewards.

European Rewards for BusinessFirst Passengers

Each time you fly 1 roundtrip with Continental's BusinessFirst to the U.S.A. you may choose with our compliments one of the following rewards.



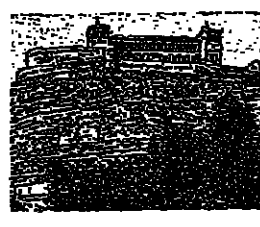
Eurostar
Choose to travel in style with a First Class return ticket for 1, or opt for 2 standard class return tickets on Eurostar from London to Brussels or Paris.



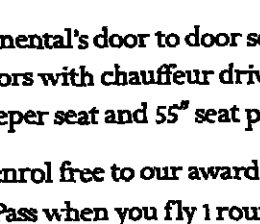
Forté and Le Meridien Hotels and Resorts
Enjoy 1 nights stay and a buffet breakfast from a selection of unique Forté hotels, the world's leading hotel group with a network throughout 40 countries.



Le Shuttle
If you prefer to travel to the Continent with your own vehicle, you can use your European Rewards voucher between Folkestone and Calais.



Relais & Chateaux
Experience the luxury of Relais & Chateaux properties throughout Europe, North America, Mexico and the Caribbean. Stay for 1 night or sample the culinary delights of a 3 course lunch or dinner for 2.



Paradores Hotels
Nestled in natural settings throughout Spain, enjoy 1 nights stay followed by a sumptuous breakfast buffet at selected Paradores hotels.

Continental's door to door service is already the envy of many competitors with chauffeur driven transfers at both ends, a First Class sleeper seat and 55" seat pitch all for a Business Class fare.

Simply enrol free to our award winning frequent flyer programme OnePass when you fly 1 roundtrip in BusinessFirst (in J class).

For full details call 01293 822 222.

Continental Airlines



Air Transport World's 1996 Airline of the Year

*Chauffeur driven transfers are available to full fare paying BusinessFirst passengers (J Class) who originate travel and purchase tickets in the UK. Side of Man, Jersey & Guernsey. They are available up to a 10 mile radius. *Chauffeur driven transfers must be reserved in advance.

sport

Stewart family exceed expectations

Derick Allsop on the father and son team with a new target for Sunday's British Grand Prix at Silverstone

Anyone seeking the premises of J Stewart & Son this weekend should simply follow the call of the pipes. Here is a family concern prepared to make a noise about trading in motor racing's high street.

The arrival of Jackie and Paul Stewart in Formula One as co-team bosses was never likely to be a quiet affair. Their partnership with Ford representing a high profile alliance guaranteed the investment to match their ambition.

Stewart Snr, three times world champion, is renowned for his acumen in the market place as well as his ability in a racing car and now, competing with the Grand Prix megastores, he is advocating more pleasure with business.

Midway into the team's first season, Stewart's suspicions about the harshness of the Formula One environment have been confirmed. Hence his desire to sound a welcome at Sunday's British Grand Prix as symbolic as their tartan trews.

"It may be no big deal for the people privileged to be within Formula One," Stewart said, "but for those coming in from outside it is a big deal and there shouldn't be a cloud over it. It should be one hell of an experience and it can be."

"I'd like a little more light-heartedness and softness about the place. We are not the men to front that at this stage, because we are a new team, but we may have a piper at Silverstone, just to soften the thing. That needs to be encouraged."

The "softer" side of the Stewarts was evident when one of their cars, driven by the Brazilian, Rubens Barrichello, finished second only to Michael Schumacher at the Monaco Grand Prix, two months ago.

"The emotion of Monaco was intense for us," Stewart senior said. "I've never felt anything like that as a racing driver. We do get emotional and don't mind admitting it. We don't mind having a laugh and we don't mind having a cry."

He expanded on the differences between driving and running a team. "Everything I've ever done as a racing driver was insular, very self-centred. Be-



Jackie Stewart and his son, Paul, celebrate their team's second place at the Monaco Grand Prix in Monte Carlo

Photograph: Mike Cooper/Allsport

cause you go out there and get tremendous satisfaction from driving, even if the car lets you down, or you let the car down. You still come out with satisfaction knowing you've performed, even if you've not finished."

"For the people in the pit, the design staff, the people who put the finance together, the people who manufacture the car and everybody else in the team, suddenly their car hasn't finished. The constructor or entrant shares their feelings, which are very different from a driver's."

His son had a career as a driver but pulled up short of Formula One, instead embroiling himself in the development of Paul Stewart Racing, a highly successful team in the junior formulae. Graduation to Formula One, with Jackie luring partners and sponsors, from Ford to the Malaysian govern-

ment, and Paul responsible for personnel and organisation, was the logical course.

Paul: "The decision to stop racing was a lot easier than people think and I have no regrets. I was honest about myself and my driving ability and based my decision on that."

Jackie: "We were on a shut-

"It's turned out to be a very good decision for Paul, as it has for me. I wouldn't have done it if I hadn't had a son in it, and I couldn't have done it on my own."

Paul: "It was different in our case because my father understood the dangers. A lot of parents are encouraging their

and think 'I wish I was doing that'."

"I've always considered the pros of being the son of 'have' outweighed the cons, so I've never really worried about the negative side. We get on great. I think we have our differences, but that's normal. It's healthy."

'The emotion of Monaco was intense for us. I've never felt anything like that as a racing driver. We do get emotional'

the flight from London to Glasgow when Paul told me he was going to retire from racing and I was taken aback. But I was happy and relieved, as any loving parent would be. For all the good things motor racing has done for me, you don't think of these when it's your own flesh and blood out there driving. It used to ruin my weekends.

children to go racing because they haven't experienced the pitfalls and don't appreciate what you have to go through.

"This job is certainly far more difficult and complex than ever it was when I was a racing driver. But I enjoy it more and believe I'll find it more satisfying and fulfilling. At no time do I see a car going out

Jackie: "I don't think I've ever had to pull rank. I did have to point out to Paul that a Friday launch of the car was no good because you don't get print."

"We have always been a very close family - my wife Helen, Paul and our other son, Mark. I think I am so lucky we are doing something together like this, rather than having said 'here you

are daring, there's a million, go off and have fun and build your own wee company, but for goodness sake, don't lose it all because you'll not get any more."

So far, this substantial company has exceeded their expectations. The target of two points from the season was achieved threefold in that one race at Monte Carlo and the general level of performance, despite the disappointing form of the other driver, Denmark's Jan Magnussen, has sustained the sense of progress.

Jackie: "We are way ahead of our dreams and we've been really well received, particularly by the British public. You would have to expect the peaks and valleys nature of the season."

"Our target now is to get more finishes, and if we do that we have a chance of one or two more points. But that will take

some doing when you consider the cars we have to beat."

One or two points at the British Grand Prix, which Jackie won in 1969 and 1971, would be particularly precious.

Jackie: "People invaded the track in the days when I won it. It's nice to do it in your own backyard and I suppose they'll be an edge to the team, but I don't know if I'll be any more nervous than I was at Monaco or the French Grand Prix."

Paul: "There is definitely more of a feeling among the guys and the factory staff for this one. They can relate to it more because it's their home grand prix and they want to come to it."

Jackie: "If we get in the points at Silverstone that will be fantastic. But that might be too much to ask. God's been very kind. We shouldn't bend his arm too much."

Future of Hill in doubt at Arrows

Damon Hill's Formula One future is back in the balance after his Arrows team lost out on a lucrative engine supply deal with Mugen-Honda, to their British rivals, Jordan.

Tom Walkinshaw, Hill's team chief, had been hoping to change his Yamaha engines, which have been criticised for their lack of reliability and horsepower, for their Japanese rivals from next year. He will now have to decide whether to stay with Yamaha, buy in Ford engines or perhaps build his own.

The development could have a major bearing on Hill's career. The 37-year-old world champion knows he needs a more powerful engine if he is to challenge again for the championship. He may not now take up the option of an extra season with the Oxfordshire-based team, knowing their chances of being competitive next year have been dealt a serious blow.

He was tipped to join Jordan this season before opting for a £4.5m deal with TWR, but could yet link up with the Silverstone team. Jordan's drivers, Giancarlo Fisichella and Ralf Schumacher, have been linked with moves to Benetton and McLaren respectively for next season.

Hill's acknowledged technical know-how and feedback could be vital as Jordan begins the learning process with Mugen-Honda after three years with Peugeot.

Peugeot are now expected to form an all-French alliance with the team headed by the four-times world champion, Alain Prost, who are at present using the Mugen-Honda engine. Hill could also find a home there.

Eddie Jordan, founder and managing director, believes the deal will help his team make that next step up to become world title challengers. "This is another significant milestone for Jordan," he said. "We have worked hard for a long time to earn this opportunity. Mugen-Honda will provide additional strength and depth to our package."

Gerhard Berger will miss Sunday's British Grand Prix as he continues to recover from a sinus operation. For the third successive race, the Austrian will be replaced by his compatriot Alexander Wurz. Berger hopes to be back behind the wheel for trials at Monza from 15 July.

Real men play under a roof with balls that don't bounce

Sir Charles Day Rose must have been quite a guy. A paint magnate and MP for Newmarket from 1903 to 1910 he is said to have dug up his wife's prize rose beds while she was out shopping. The reason? So he could build a tennis court in the back garden of their home in Goring, Oxfordshire. As he already owned two courts, it must have been quite a shock for Lady R. It is perhaps no surprise that her husband is believed to have been the inspiration for Mr Toad in Kenneth Grahame's *Wind in the Willows*.

It was not any old court either. Instead of a neat lawn with geometric markings, his wife was confronted by a huge structure bearing a vague resemblance to a medieval courtyard. Her reaction is not recorded, but those who get addicted to real tennis certainly act in strange ways.

Anthony Coles has not gone as far as knocking down the garage housing his restoration project (a 1777 Reliant Scimitar) at his home in Dereham, near Norwich, but he has done the next best thing. As well as perpetuating the legend of the eccentric paint millionaire, Coles has plans to build a string of real tennis clubs right across the country. When you consider there are only 21

clubs in the United Kingdom, that is quite a leap of faith. But he is convinced that real tennis is in for a real revival.

And why not? After all, at one time there were more courts than churches in France. Paris alone had more than 250. In this country, Cambridge boasted 20 courts. Real tennis is by far the oldest racket game, stretching back to the 11th century as an Italian street game or played by bored monks whacking pebbles around their cloistered courtyards, depending which version of its genesis you believe.

Its "real" forename is a bit of a misnomer too, though enthusiasts claim similar games are pale imitations. The name has been corrupted from "royal", and it was the sport of kings even before Lester Piggott was born. Princes Edward is keeping the tradition alive today though let us hope he has better luck than others of royal lineage. When it comes to regicide, real tennis has been far more effective than any scheming courtier.

Louis X of France caught a chill playing the game, and died shortly afterwards. Charles VIII whacked his head on the lintel of a low doorway on his way to watch a match. The blow was so severe that a few days later, he became Louis' playing partner.



AT LARGE

KEITH ELLIOTT

James I of Scotland, fleeing from assassins in 1437, tried to escape down a drain only to remember, too late, that he had blocked off his intended bolthole because too many balls were being lost. Henry VIII was so addicted he did not even stop playing when news of Anne Boleyn's death came through.

With regal patronage, the game's future should have been assured. But the sheer size of a court, big as an elephant's mausoleum, saw the sport dwindle. And dwindle. It clung on in traditional places (Hampton Court, Oxford, MCC, large country houses such as Hatfield and Petworth) then, suddenly, it has started to enjoy a revival. It is not easy to get a game at almost all the country's courts, and some, like the Harbour Club in Fulham, are heavily booked.

That is where Coles comes in. "I had a friend whom I used to beat at squash, and he invited me to try this game," he says. "I fell in love in just 30 minutes."

even though I hardly got the ball over the net. It is the most interesting and beguiling of racket sports.

"In other sports, when you become fat and 50, your playing expertise declines rapidly. With this game, you can take it up at 50 and spend the next 20 years improving."

Coles played as much as he could. "But I got more and more frustrated that there was just nowhere to play." Then he heard about an old court standing derelict in Newmarket. It had been built in 1901 by... Charles Rose. A strange factory-like building in the heart of the horse-racing town, it needed substantial work, but Coles was convinced it was a project that could work. It made selling gas heaters to the Saudis look a simple task.

"The banks were, er, intrigued," he recalls. "I had to persuade them to take up the game from scratch." But he won. The Newmarket Real Tennis Club opened in May

1995, and its success has surpassed Coles' dreams. "We convert 68 per cent of the people who come along to try it into members."

What is it about the game, with its sagging net, funny-shaped rackets, odd expressions such as giraffe, dedans and tambour; balls that don't bounce (they are all made by the professionals); net-covered goals and uneven-shaped court, lined by elongated sheds with sloping roofs? For Coles, a former teacher of art history, it is the strategy involved. "It's an intellectual challenge. I never realised what a boring game squash was until I took up real tennis."

He also likes the quirks. "It's the only game where you can win a point by not hitting the ball. And it demands total honesty. Your opponent 110 feet away can't see where a ball has landed, so you are calling your opponent's wins and losses. It's without point unless played in a totally sportsman-like way. That said, it's much easier to play than it looks."

It is also a sport where guile can beat the fast and fit. Oliver Michel, the professional at Coles' Newmarket club, ruefully agrees. "When I was 16, I was beaten by a 78-year-old with a bad knee. It's not all about running around the court

very fast and hitting the ball as hard as you can."

Having found a new market at Newmarket, Coles was not content to let it stop there. "I realised that you didn't have to renovate existing courts, which is expensive anyway, and that if it worked in Newmarket, which is obsessed with horse racing, it could work in any large town or city. Our market is all the people who got turned on to squash 30 years ago."

He gave up his job in the chemicals industry and went into it full-time. At the end of this year, a new club opens in Norwich. He hopes to build two a year for the next five years.

His plans have not met total support from the real tennis establishment, however. "I think they are supportive, if a little reserved about some of the ramifications," Coles says, choosing his words carefully.

"It is slightly faster than they had envisaged, but it's a small game. Even if we build as we hope, the numbers will only increase from 3,000 to about 5,000."

If I were his wife, I would keep a very close eye on that paddock in the back garden.

The Tennis and Rackets Association is at The Queen's Club, London W14, tel: 0171-386 3447.



Anthony Coles: Finding a new market for real tennis in Newmarket - and beyond

Photograph: Peter Jones

Scotland's 14 new caps for historic first

Rugby League
DAVE HADFIELD

Scotland have named no fewer than 14 new caps for their match against France at Partick Thistle tonight. Only the London Broncos full-back Nick Mardon, Sheffield centre Matt Crowther, and the Huddersfield hooker Danny Russell, who will captain the side, survive from last year's victory over Ireland in the first Scotland match to be recognised as a full international.

Those who are absent include the former Widnes and Leeds full-back, Alan Tait, who was keen to play but only returned from the Lions tour yesterday.

"I still think we have a side that is capable of doing the job against France and of raising the profile of the game in Scotland," said the side's coach, George Fairbairn, the former Wigan and Hull KR full-back who now coaches Hull rugby union club.

Last season's 26-6 victory over the Irish was seen as an encouraging start for Scotland as a presence within the international game and there has been at least one approach from a consortium wanting to plant a Super League franchise in Glasgow.

But the game remains in its infancy north of the border and several of tonight's participants have only tenuous links with Scotland. Victory at Firhill Park over an established league

nation, however, can only help in the struggle for credibility.

London's Great Britain tourist, Tuisen Tollett, has revealed his intention of going home to Australia at the end of this season to play rugby union.

Tollett, born in England but brought up in Australia, said that his switch of countries and codes will be a result of the uncertainty over rugby league's direction. "I'm not putting rugby league down, but the politics is turning people away and there are a few players who feel the same as me," he said.

Oldham have signed the Australian loose forward, Ian Russell, from the North Queensland Cowboys. Russell, who will be 32 next month, made his

name as one of Australia's most creative forwards at Illawarra and also played briefly at Sheffield Eagles. He played three games for Paris last season before being forced home by injury.

He replaces Nathan Turner, who has gone home suffering from a foot injury without playing a Super League game on Oldham's import quota.

Oldham's estranged loose forward, David Bradbury, is attracting interest from Hull, London and Salford after turning down a move to Sheffield.

Tom Smith, the Wigan scrum-half, is the Stones Gold Award winner as player of the month in June, a month during which he equalled the Super League record of five tries in a match.

Graf gears up for return

Tennis

Steffi Graf, who is recovering from knee surgery, says she expects to return to play in the autumn.

"If everything goes well, I'll be able to play again in late autumn and will then be in the Tournoi de Champions in Frankfurt at the beginning of December," Graf said yesterday.

The 28-year-old seven-times Wimbledon champion had knee surgery on 10 June in Vienna. "I'm now doing very well," she said. "Directly after [the surgery] it was a bit difficult. Now I can move without pain."

Hope for Tyson as ban looms

Boxing

Mike Tyson's future in the sport may not be as bleak as anticipated. One member of the five-man Nevada Athletic Commission disciplinary board indicated yesterday that Tyson's apology for biting the ears of Evander Holyfield will have a positive bearing on the punishment due to be meted out to the former world heavyweight champion in Las Vegas today.

The board will take into account Tyson's avowed intention to undergo some form of counselling to counter fury that erupted in the ring against Holyfield 11 days ago. That show of remorse may yet prove

to be his saviour, the commission's chairman, Elias Ghanem, said yesterday.

"The thing I liked about the apology was that he said he needed some psychological and psychiatric treatment," Ghanem said. "As a doctor I think that is significant."

The 31-year-old Tyson, who has been stripped of his ranking by the World Boxing Association, will not evade punishment, however. "The apology doesn't change what happened in the ring," Ghanem added.

The commission, who withheld Tyson's \$30m purse pending the outcome of today's hearing, needs to exert control, but what Tyson does after that is uncertain. "The kid needs

help," said Angelo Dundee, who has guided Sugar Ray Leonard and Muhammad Ali among others. "He needs psychological help. I don't know where it's going to come from, but he needs it."

Many in boxing, including Tyson's first co-manager, Bill Cayton, suggest a split from the promoter Don King as a first step in changing Tyson's life. "Tyson's problems are 95 per cent Don King," Cayton said. "Tyson's suspension from boxing could range from a year to life. Anything over 12 months would be disastrous," said veteran trainer Emanuel Steward. "His style of fighting, youth style, not laid-back Sugar Ray or Ali."

future of
Hill in
doubt at
Arrows

Monty in mood for a challenge

Golf

ANDY FARRELL
reports from Loch Lomond

One week to go before the Open and the world's golfing elite are as happy as lambs. It does not take much. Merely a superb golf course, in magnificent condition, situated in place of a sizeable pot of £800,000 to be found at the end of the rainbow on Saturday.

The dreamy setting on the bonnie banks of Loch Lomond has attracted a so-called "field of dreams" for the World Invitational. Five of the top 10 in the world are here, and four of the top six. Greg Norman, deposed as No 1 by Tiger Woods' victory in America at the weekend, US Open champion Ernie Els, Colin Montgomerie, Tom Lehman and Nick Faldo head a line-up which has Jose Maria Olazabal, Ian Woosnam, Bernhard Langer, Seve Ballesteros and Payne Stewart as part of the chorus line.

Lytle Anderson, the president of Loch Lomond, insists appearance money, or even the legal "facility fees", are not being paid. There are other arrangements that can be made, and the sponsors, Gullstream, offered to fly Lehman, Stewart and Monty.

They should have left after the Western Open on Sunday night, but mechanical problems on their plane delayed their arrival until Monday evening. No wonder Norman is swapping his Gullstream for a Boeing, a transaction that might put his appearance in this tournament in future years in doubt.

Some problems of international sportsmen can be identified with more readily. Vijay Singh did not make it past immigration at Miami Airport as his visa has run out and he had to withdraw. Els had to move rooms three times in his hotel on Tuesday night. "The beds were not big enough," the 31st South African said. "It was either Liezl [his girlfriend] sleeping on the floor, or me."

After two weeks off since fol-

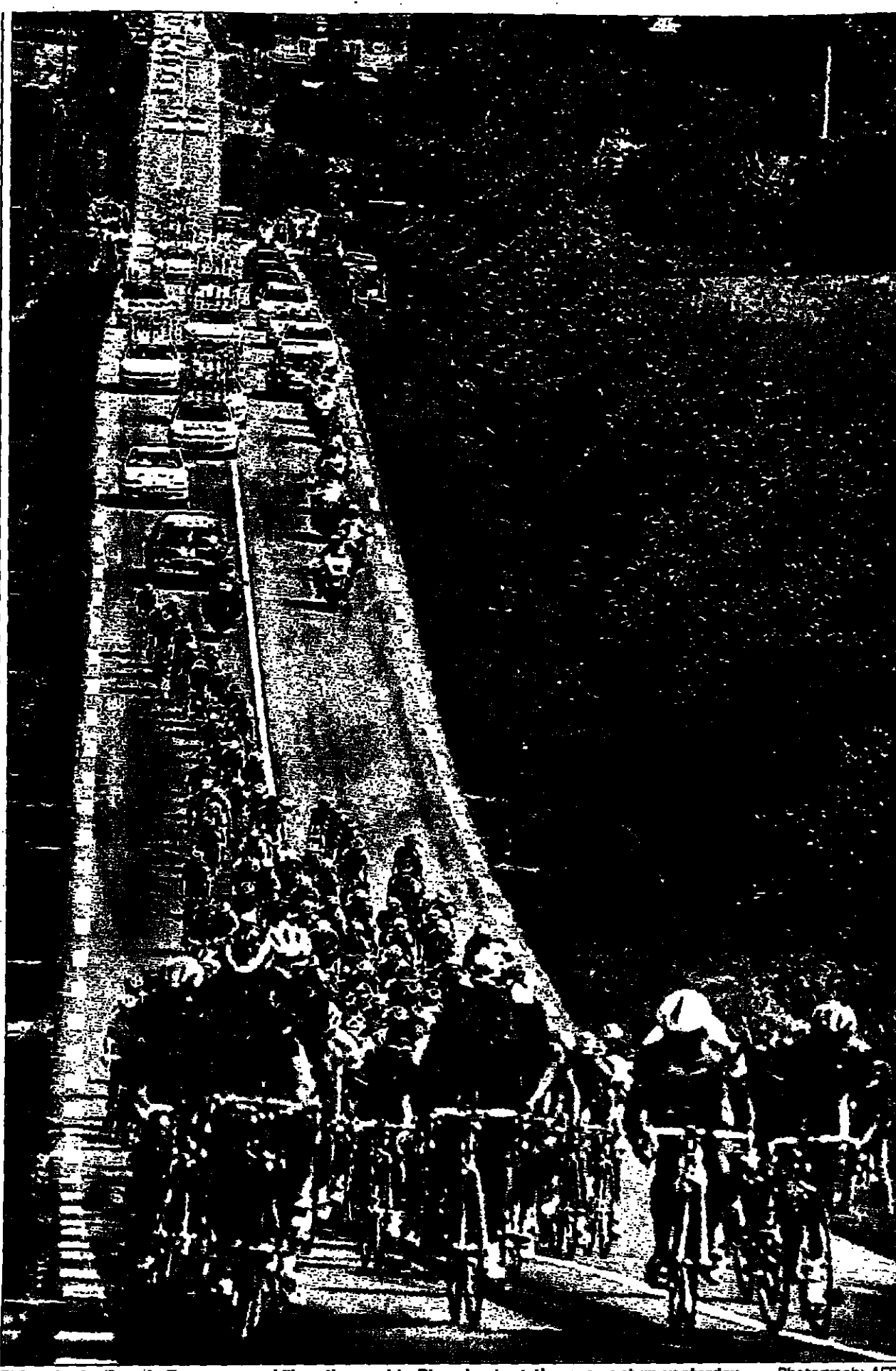
lowing up his victory at Congressional by winning the Buick Classic, Els has been working hard to regain his touch. Lehman, after a lie-in, headed out for his first practice round at four o'clock yesterday after telling his wife he would be back at nightfall. By then, Montgomerie had completed his preparations, which probably need not have been anything more taxing than slipping on a video of his last-round 62 in retaining the Irish Open on Sunday.

Montgomerie was fourth in the inaugural event here last year, five behind Thomas Bjorn, but no Scot has won in Scotland since Ken Brown at the Glasgow Open in 1984. Monty was scuppered by Peter O'Malley, seven under for the last five holes, in the 1992 Scottish Open. "Somebody upstairs didn't want me to win that day," Monty said.

"I am not thinking any further forward than tomorrow and I will go out there to enjoy myself. I am playing well enough to enjoy myself, and in most walks of life, if you enjoy what you are doing, you are usually quite good at it. There are expectations on me here, but I have never backed away from that. I think it is great the support you get when you come back home to Scotland."

Norman thinks Scottish fans are "the best in the world" and lamented the sort of gallery at Congressional which so disturbed Monty. Norman, who was involved in an incident at the Kemper Open when he thought a spectator told him to "chuck it in the water", is not so much felled by Tigermania as booze. "I have seen a change over the last few years," he said. "I don't know if alcohol creates a problem, but in baseball they have banned the sale of alcohol after three o'clock. There have been a couple of times when I have feared for my safety."

Wayne Grady, who was involved in a three-way play-off at the 1989 Open at Royal Troon, has withdrawn from next week's Open championship. No reason has been given.



Riders in the Tour de France use a hill on the road to Plumelec to gather momentum yesterday

Photograph: AFP

Zabel's zest outwits wily super Mario

Cycling

ROBIN NICHOLL
with the Tour de France

Erik Zabel yesterday achieved the breakthrough that the sprinters of the Tour de France had sought since Mario Cipollini's yellow shadow fell over the race three days ago.

For once the fast-finishing Italian was not hovering as Zabel forced his way to the front in an uphill sprint at Plumelec to win the 224-kilometre leg from Vire, and pose a new threat to Cipollini's reign.

The Tuscan's overnight advantage of 36 seconds over Chris Boardman melted to 14 seconds clear of Zabel, the German team mate of the 1996 Tour winner Gianni Risi, who took third yesterday.

Britain's yellow-jersey for a day on his losses to 27sec on Cipollini, and Boardman is third overall after finishing in the same time as Zabel and 18 others at this Breton town.

Cipollini was 11sec adrift as Zabel picked up 26 crucial seconds with a sprint that had until now failed to tame the man who likes to be known as the "Lion King". Cipollini collects nicknames as often as he changes the colour of his racing shorts, but that short hill to the chequered flag took the snarl out of his power finishing.

Officials also took 200 Swiss francs (€90), the currency of world cycling, from his wallet for a third day for wearing shorts that matched his leader's jersey instead of the regulation black. His team manager, Antonio Salustini, was again fined

SFr1,000 for allowing it to happen.

Cipollini also lost out in an intermediate sprint snatched by Zabel, who is back in the green jersey of the leading points scorer, which he carried to the final podium in Paris last year.

During the last 30 kilometres Francois Simon set off on a solo run, doubtless inspired by racing through Saint-Martin-Grand, the birthplace of Louison Bobet who twice won the Tour.

The Frenchman's quest for glory ended five kilometres from the finish, but he missed the mass pile-up that split the field. With riders climbing out of ditches on both sides of the road, the tangle of bodies and bikes cleared to reveal Swiss-land's Rudy Renner, fourth overall, with a "complex fracture" of his right collar-bone.

TOUR DE FRANCE Third stage (224km, Vire to Plumelec): 1. E Zabel (Ger) 4hr 54min 2. C Cipollini (Ita) 4hr 54min 3. C Boardman (GB) 4hr 54min 4. J Langer (Ger) 4hr 54min 5. S Simon (Fra) 4hr 54min 6. G Ballesteros (Esp) 4hr 54min 7. J Langer (Ger) 4hr 54min 8. J Langer (Ger) 4hr 54min 9. J Langer (Ger) 4hr 54min 10. J Langer (Ger) 4hr 54min 11. J Langer (Ger) 4hr 54min 12. J Langer (Ger) 4hr 54min 13. J Langer (Ger) 4hr 54min 14. J Langer (Ger) 4hr 54min 15. J Langer (Ger) 4hr 54min 16. J Langer (Ger) 4hr 54min 17. J Langer (Ger) 4hr 54min 18. J Langer (Ger) 4hr 54min 19. J Langer (Ger) 4hr 54min 20. J Langer (Ger) 4hr 54min 21. J Langer (Ger) 4hr 54min 22. J Langer (Ger) 4hr 54min 23. J Langer (Ger) 4hr 54min 24. J Langer (Ger) 4hr 54min 25. J Langer (Ger) 4hr 54min 26. J Langer (Ger) 4hr 54min 27. J Langer (Ger) 4hr 54min 28. J Langer (Ger) 4hr 54min 29. J Langer (Ger) 4hr 54min 30. J Langer (Ger) 4hr 54min 31. J Langer (Ger) 4hr 54min 32. J Langer (Ger) 4hr 54min 33. J Langer (Ger) 4hr 54min 34. J Langer (Ger) 4hr 54min 35. J Langer (Ger) 4hr 54min 36. J Langer (Ger) 4hr 54min 37. J Langer (Ger) 4hr 54min 38. J Langer (Ger) 4hr 54min 39. J Langer (Ger) 4hr 54min 40. J Langer (Ger) 4hr 54min 41. J Langer (Ger) 4hr 54min 42. J Langer (Ger) 4hr 54min 43. J Langer (Ger) 4hr 54min 44. J Langer (Ger) 4hr 54min 45. J Langer (Ger) 4hr 54min 46. J Langer (Ger) 4hr 54min 47. J Langer (Ger) 4hr 54min 48. J Langer (Ger) 4hr 54min 49. J Langer (Ger) 4hr 54min 50. J Langer (Ger) 4hr 54min 51. J Langer (Ger) 4hr 54min 52. J Langer (Ger) 4hr 54min 53. J Langer (Ger) 4hr 54min 54. J Langer (Ger) 4hr 54min 55. J Langer (Ger) 4hr 54min 56. J Langer (Ger) 4hr 54min 57. J Langer (Ger) 4hr 54min 58. J Langer (Ger) 4hr 54min 59. J Langer (Ger) 4hr 54min 60. J Langer (Ger) 4hr 54min 61. J Langer (Ger) 4hr 54min 62. J Langer (Ger) 4hr 54min 63. J Langer (Ger) 4hr 54min 64. J Langer (Ger) 4hr 54min 65. J Langer (Ger) 4hr 54min 66. J Langer (Ger) 4hr 54min 67. J Langer (Ger) 4hr 54min 68. J Langer (Ger) 4hr 54min 69. J Langer (Ger) 4hr 54min 70. J Langer (Ger) 4hr 54min 71. J Langer (Ger) 4hr 54min 72. J Langer (Ger) 4hr 54min 73. J Langer (Ger) 4hr 54min 74. J Langer (Ger) 4hr 54min 75. J Langer (Ger) 4hr 54min 76. J Langer (Ger) 4hr 54min 77. J Langer (Ger) 4hr 54min 78. J Langer (Ger) 4hr 54min 79. J Langer (Ger) 4hr 54min 80. J Langer (Ger) 4hr 54min 81. J Langer (Ger) 4hr 54min 82. J Langer (Ger) 4hr 54min 83. J Langer (Ger) 4hr 54min 84. J Langer (Ger) 4hr 54min 85. J Langer (Ger) 4hr 54min 86. J Langer (Ger) 4hr 54min 87. J Langer (Ger) 4hr 54min 88. J Langer (Ger) 4hr 54min 89. J Langer (Ger) 4hr 54min 90. J Langer (Ger) 4hr 54min 91. J Langer (Ger) 4hr 54min 92. J Langer (Ger) 4hr 54min 93. J Langer (Ger) 4hr 54min 94. J Langer (Ger) 4hr 54min 95. J Langer (Ger) 4hr 54min 96. J Langer (Ger) 4hr 54min 97. J Langer (Ger) 4hr 54min 98. J Langer (Ger) 4hr 54min 99. J Langer (Ger) 4hr 54min 100. J Langer (Ger) 4hr 54min 101. J Langer (Ger) 4hr 54min 102. J Langer (Ger) 4hr 54min 103. J Langer (Ger) 4hr 54min 104. J Langer (Ger) 4hr 54min 105. J Langer (Ger) 4hr 54min 106. J Langer (Ger) 4hr 54min 107. J Langer (Ger) 4hr 54min 108. J Langer (Ger) 4hr 54min 109. J Langer (Ger) 4hr 54min 110. J Langer (Ger) 4hr 54min 111. J Langer (Ger) 4hr 54min 112. J Langer (Ger) 4hr 54min 113. J Langer (Ger) 4hr 54min 114. J Langer (Ger) 4hr 54min 115. J Langer (Ger) 4hr 54min 116. J Langer (Ger) 4hr 54min 117. J Langer (Ger) 4hr 54min 118. J Langer (Ger) 4hr 54min 119. J Langer (Ger) 4hr 54min 120. J Langer (Ger) 4hr 54min 121. J Langer (Ger) 4hr 54min 122. J Langer (Ger) 4hr 54min 123. J Langer (Ger) 4hr 54min 124. J Langer (Ger) 4hr 54min 125. J Langer (Ger) 4hr 54min 126. J Langer (Ger) 4hr 54min 127. J Langer (Ger) 4hr 54min 128. J Langer (Ger) 4hr 54min 129. J Langer (Ger) 4hr 54min 130. J Langer (Ger) 4hr 54min 131. J Langer (Ger) 4hr 54min 132. J Langer (Ger) 4hr 54min 133. J Langer (Ger) 4hr 54min 134. J Langer (Ger) 4hr 54min 135. J Langer (Ger) 4hr 54min 136. J Langer (Ger) 4hr 54min 137. J Langer (Ger) 4hr 54min 138. J Langer (Ger) 4hr 54min 139. J Langer (Ger) 4hr 54min 140. J Langer (Ger) 4hr 54min 141. J Langer (Ger) 4hr 54min 142. J Langer (Ger) 4hr 54min 143. J Langer (Ger) 4hr 54min 144. J Langer (Ger) 4hr 54min 145. J Langer (Ger) 4hr 54min 146. J Langer (Ger) 4hr 54min 147. J Langer (Ger) 4hr 54min 148. J Langer (Ger) 4hr 54min 149. J Langer (Ger) 4hr 54min 150. J Langer (Ger) 4hr 54min 151. J Langer (Ger) 4hr 54min 152. J Langer (Ger) 4hr 54min 153. J Langer (Ger) 4hr 54min 154. J Langer (Ger) 4hr 54min 155. J Langer (Ger) 4hr 54min 156. J Langer (Ger) 4hr 54min 157. J Langer (Ger) 4hr 54min 158. J Langer (Ger) 4hr 54min 159. J Langer (Ger) 4hr 54min 160. J Langer (Ger) 4hr 54min 161. J Langer (Ger) 4hr 54min 162. J Langer (Ger) 4hr 54min 163. J Langer (Ger) 4hr 54min 164. J Langer (Ger) 4hr 54min 165. J Langer (Ger) 4hr 54min 166. J Langer (Ger) 4hr 54min 167. J Langer (Ger) 4hr 54min 168. J Langer (Ger) 4hr 54min 169. J Langer (Ger) 4hr 54min 170. J Langer (Ger) 4hr 54min 171. J Langer (Ger) 4hr 54min 172. J Langer (Ger) 4hr 54min 173. J Langer (Ger) 4hr 54min 174. J Langer (Ger) 4hr 54min 175. J Langer (Ger) 4hr 54min 176. J Langer (Ger) 4hr 54min 177. J Langer (Ger) 4hr 54min 178. J Langer (Ger) 4hr 54min 179. J Langer (Ger) 4hr 54min 180. J Langer (Ger) 4hr 54min 181. J Langer (Ger) 4hr 54min 182. J Langer (Ger) 4hr 54min 183. J Langer (Ger) 4hr 54min 184. J Langer (Ger) 4hr 54min 185. J Langer (Ger) 4hr 54min 186. J Langer (Ger) 4hr 54min 187. J Langer (Ger) 4hr 54min 188. J Langer (Ger) 4hr 54min 189. J Langer (Ger) 4hr 54min 190. J Langer (Ger) 4hr 54min 191. J Langer (Ger) 4hr 54min 192. J Langer (Ger) 4hr 54min 193. J Langer (Ger) 4hr 54min 194. J Langer (Ger) 4hr 54min 195. J Langer (Ger) 4hr 54min 196. J Langer (Ger) 4hr 54min 197. J Langer (Ger) 4hr 54min 198. J Langer (Ger) 4hr 54min 199. J Langer (Ger) 4hr 54min 200. J Langer (Ger) 4hr 54min 201. J Langer (Ger) 4hr 54min 202. J Langer (Ger) 4hr 54min 203. J Langer (Ger) 4hr 54min 204. J Langer (Ger) 4hr 54min 205. J Langer (Ger) 4hr 54min 206. J Langer (Ger) 4hr 54min 207. J Langer (Ger) 4hr 54min 208. J Langer (Ger) 4hr 54min 209. J Langer (Ger) 4hr 54min 210. J Langer (Ger) 4hr 54min 211. J Langer (Ger) 4hr 54min 212. J Langer (Ger) 4hr 54min 213. J Langer (Ger) 4hr 54min 214. J Langer (Ger) 4hr 54min 215. J Langer (Ger) 4hr 54min 216. J Langer (Ger) 4hr 54min 217. J Langer (Ger) 4hr 54min 218. J Langer (Ger) 4hr 54min 219. J Langer (Ger) 4hr 54min 220. J Langer (Ger) 4hr 54min 221. J Langer (Ger) 4hr 54min 222. J Langer (Ger) 4hr 54min 223. J Langer (Ger) 4hr 54min 224. J Langer (Ger) 4hr 54min 225. J Langer (Ger) 4hr 54min 226. J Langer (Ger) 4hr 54min 227. J Langer (Ger) 4hr 54min 228. J Langer (Ger) 4hr 54min 229. J Langer (Ger) 4hr 54min 230. J Langer (Ger) 4hr 54min 231. J Langer (Ger) 4hr 54min 232. J Langer (Ger) 4hr 54min 233. J Langer (Ger) 4hr 54min 234. J Langer (Ger) 4hr 54min 235. J Langer (Ger) 4hr 54min 236. J Langer (Ger) 4hr 54min 237. J Langer (Ger) 4hr 54min 238. J Langer (Ger) 4hr 54min 239. J Langer (Ger) 4hr 54min 240. J Langer (Ger) 4hr 54min 241. J Langer (Ger) 4hr 54min 242. J Langer (Ger) 4hr 54min 243. J Langer (Ger) 4hr 54min 244. J Langer (Ger) 4hr 54min 245. J Langer (Ger) 4hr 54min 246. J Langer (Ger) 4hr 54min 247. J Langer (Ger) 4hr 54min 248. J Langer (Ger) 4hr 54min 249. J Langer (Ger) 4hr 54min 250. J Langer (Ger) 4hr 54min 251. J Langer (Ger) 4hr 54min 252. J Langer (Ger) 4hr 54min 253. J Langer (Ger) 4hr 54min 254. J Langer (Ger) 4hr 54min 255. J Langer (Ger) 4hr 54min 256. J Langer (Ger) 4hr 54min 257. J Langer (Ger) 4hr 54min 258. J Langer (Ger) 4hr 54min 259. J Langer (Ger) 4hr 54min 260. J Langer (Ger) 4hr 54min 261. J Langer (Ger) 4hr 54min 262. J Langer (Ger) 4hr 54min 263. J Langer (Ger) 4hr 54min 264. J Langer (Ger) 4hr 54min 265. J Langer (Ger) 4hr 54min 266. J Langer (Ger) 4hr 54min 267. J Langer (Ger) 4hr 54min 268. J Langer (Ger) 4hr 54min 269. J Langer (Ger) 4hr 54min 270. J Langer (Ger) 4hr 54min 271. J Langer (Ger) 4hr 54min 272. J Langer (Ger) 4hr 54min 273. J Langer (Ger) 4hr 54min 274. J Langer (Ger) 4hr 54min 275. J Langer (Ger) 4hr 54min 276. J Langer (Ger) 4hr 54min 277. J Langer (Ger) 4hr 54min 278. J Langer (Ger) 4hr 54min 279. J Langer (Ger) 4hr 54min 280. J Langer (Ger) 4hr 54min 281. J Langer (Ger) 4hr 54min 282. J Langer (Ger) 4hr 54min 283. J Langer (Ger) 4hr 54min 284. J Langer (Ger) 4hr 54min 285. J Langer (Ger) 4hr 54min 286. J Langer (Ger) 4hr 54min 287. J Langer (Ger) 4hr 54min 288. J Langer (Ger) 4hr 54min 289. J Langer (Ger) 4hr 54min 290. J Langer (Ger) 4hr 54min 291. J Langer (Ger) 4hr 54min 292. J Langer (Ger) 4hr 54min 293. J Langer (Ger) 4hr 54min 294. J Langer (Ger) 4hr 54min 295. J Langer (Ger) 4hr 54min 296. J Langer (Ger) 4hr 54min 297. J Langer (Ger) 4hr 54min 298. J Langer (Ger) 4hr 54min 299. J Langer (Ger) 4hr 54min 300. J Langer (Ger) 4hr 54min 301. J Langer (Ger) 4hr 54min 302. J Langer (Ger) 4hr 54min 303. J Langer (Ger) 4hr 54min 304. J Langer (Ger) 4hr 54min 305. J Langer (Ger) 4hr 54min 306. J Langer (Ger) 4hr 54min 307. J Langer (Ger) 4hr 54min 308. J Langer (Ger) 4hr 54min 309. J Langer (Ger) 4hr 54min 310. J Langer (Ger) 4hr 54min 311. J Langer (Ger) 4hr 54min 312. J Langer (Ger) 4hr 54min 313. J Langer (Ger) 4hr 54min 314. J Langer (Ger) 4hr 54min 315. J Langer (Ger) 4hr 54min 316. J Langer (Ger) 4hr 54min 317. J Langer (Ger) 4hr 54min 318. J Langer (Ger) 4hr 54min 319. J Langer (Ger) 4hr 54min 320. J Langer (Ger) 4hr 54min 321. J Langer (Ger) 4hr 54min 322. J Langer (Ger) 4hr 54min 323. J Langer (Ger) 4hr 54min 324. J Langer (Ger) 4hr 54min 325. J Langer (Ger) 4hr 54min 326. J Langer (Ger) 4hr 54min 327. J Langer (Ger) 4hr 54min 328. J Langer (Ger) 4hr 54min 329. J Langer (Ger) 4hr 54min 330. J Langer (Ger) 4hr 54min 331. J Langer (Ger) 4hr 54min 332. J Langer (Ger) 4hr 54min 333. J Langer (Ger) 4hr 54min 334. J Langer (Ger) 4hr 54min 335. J Langer (Ger) 4hr 54min 336. J Langer (Ger) 4hr 54min 337. J Langer (Ger) 4hr 54min 338. J Langer (Ger) 4hr 54min 339. J Langer (Ger) 4hr 54min 340. J Langer (Ger) 4hr 54min 341. J Langer (Ger) 4hr 54min 342. J Langer (Ger) 4hr 54min 343. J Langer (Ger) 4hr 54min 344. J Langer (Ger) 4hr 54min 345. J Langer (Ger) 4hr 54min 346. J Langer (Ger) 4hr 54min 347. J Langer (Ger) 4hr 54min 348. J Langer (Ger) 4hr 54min 349. J Langer (Ger) 4hr 54min 350. J Langer (Ger) 4hr 54min 351. J Langer (Ger) 4hr 54min 352. J Langer (Ger) 4hr 54min 353. J Langer (Ger) 4hr 54min 354. J Langer (Ger) 4hr 54min 355. J Langer (Ger) 4hr 54min 356. J Langer (Ger) 4hr 54min 357. J Langer (Ger) 4hr 54min 358. J Langer (Ger) 4hr 54min 359. J Langer (Ger) 4hr 54min 360. J Langer (Ger) 4hr 54min 361. J Langer (Ger) 4hr 54min 362. J Langer (Ger) 4hr 54min 363. J Langer (Ger) 4hr 54min 364. J Langer (Ger) 4hr 54min 365. J Langer (Ger) 4hr 54min 366. J Langer (Ger) 4hr 54min 367. J Langer (Ger) 4hr 54min 368. J Langer (Ger) 4hr 54min 369. J Langer (Ger) 4hr 54min 370. J Langer (Ger) 4hr 54min 371. J Langer (Ger) 4hr 54min 372. J Langer (Ger) 4hr 54min 373. J Langer (Ger) 4hr 54min 374. J Langer (Ger) 4hr 54min 375. J Langer (Ger) 4hr 54min 376. J Langer (Ger) 4hr 54min 377. J Langer (Ger) 4hr 54min 378. J Langer (Ger) 4hr 54min 379. J Langer (Ger) 4hr 54min 380. J Langer (Ger) 4hr 54min 381. J Langer (Ger) 4hr 54min 382. J Langer (Ger) 4hr 54min 383. J Langer (Ger) 4hr 54min 384. J Langer (Ger) 4hr 54min 385. J Langer (Ger) 4hr 54min 386. J Langer (Ger) 4hr 54min 387. J Langer (Ger) 4hr 54min 388. J Langer (Ger) 4hr 54min 389. J Langer (Ger) 4hr 54min 390. J Langer (Ger) 4hr 54min 391. J Langer (Ger) 4hr 54min 392. J Langer (Ger) 4hr 54min 393. J Langer (Ger) 4hr 54min 394. J Langer (Ger) 4hr 54min 395. J Langer (Ger) 4hr 54min 396. J Langer (Ger) 4hr 54min 397. J Langer (Ger) 4hr 54min 398. J Langer (Ger) 4hr 54min 399. J Langer (Ger) 4hr 54min 400. J Langer (Ger) 4hr 54min 401. J Langer (Ger) 4hr 54min 402. J Langer (Ger) 4hr 54min 403. J Langer (Ger) 4hr 54min 404. J Langer (Ger) 4hr 54min 405. J Langer (Ger) 4hr 54min 406. J Langer (Ger) 4hr 54min 407. J Langer (Ger) 4hr 54min 408. J Langer (Ger) 4hr 54min 409. J Langer (Ger) 4hr 54min 410. J Langer (Ger) 4hr 54min 411. J Langer (Ger) 4hr 54min 412. J Langer (Ger) 4hr 54min 413. J Langer (Ger) 4hr 54min 414. J Langer (Ger) 4hr 54min 415. J Langer (Ger) 4hr 54min 416. J Langer (Ger) 4hr 54min 417. J Langer (Ger) 4hr 54min 418. J Langer (Ger) 4hr 54min 419. J Langer (Ger) 4hr 54min 420. J Langer (Ger) 4hr 54min 421. J Langer (Ger) 4hr 54min 422. J Langer (Ger) 4hr 54min 423. J Langer (Ger) 4hr 54min 424. J Langer (Ger) 4hr 54min 425. J Langer (Ger) 4hr 54min 426. J Langer (Ger) 4hr 54min 427. J Langer (Ger) 4hr 54min 428. J Langer (Ger) 4hr 54min 429. J Langer (Ger) 4hr 54min 430. J Langer (Ger) 4hr 54min 431. J Langer (Ger) 4hr 54min 432. J Langer (Ger) 4hr 54min 433. J Langer (Ger) 4hr 54min 434. J Langer (Ger) 4hr 54min 435. J Langer (Ger) 4hr 54min 436. J Langer (Ger) 4hr 54min 437. J Langer (Ger) 4hr 54min 438. J Langer (Ger) 4hr 54min 439. J Langer (Ger) 4hr 54min 440. J Langer (Ger) 4hr 54min 441. J Langer (Ger) 4hr 54min 442. J Langer (Ger) 4hr 54min 443. J Langer (Ger) 4hr 54min 444. J Langer (Ger) 4hr 54min 445. J Langer (Ger) 4hr 54min 446. J Langer (Ger) 4hr 54min 447. J Langer (Ger) 4hr 54min 448. J Langer (Ger) 4hr 54min 449. J Langer (Ger) 4hr 54min 450. J Langer (Ger) 4hr 54min 451. J Langer (Ger) 4hr 54min 452. J Langer (Ger) 4hr 54min 453. J Langer (Ger) 4hr 54min 454. J Langer (Ger) 4hr 54min 455. J Langer (Ger) 4hr 54min 456. J Langer (Ger) 4hr 54min 457. J Langer (Ger) 4hr 54min 458. J Langer (Ger) 4hr 54min 459. J Langer (Ger) 4hr 54min 460. J Langer (Ger) 4hr 54min 461. J Langer (Ger) 4hr 54min 462. J Langer (Ger) 4hr 54min 463. J Langer (Ger) 4hr 54min 464. J Langer (Ger) 4hr 54min 465. J Langer (Ger) 4hr 54min 466. J Langer (Ger) 4hr 54min 467. J Langer (Ger) 4hr 54min 468. J Langer (Ger) 4hr 54min 469. J Langer (Ger) 4hr 54min 470. J Langer (Ger) 4hr 54min 471. J Langer (Ger) 4hr 54min 472. J Langer (Ger) 4hr 54min 473. J Langer (Ger) 4hr 54min 474. J Langer (Ger) 4hr 54min 475. J Langer (Ger) 4hr 54min 476. J Langer (Ger) 4hr 54min 477. J Langer (Ger) 4hr 54min 478. J Langer (Ger) 4hr 54min 479. J Langer (Ger) 4hr 54min 480. J Langer (Ger) 4hr 54min 481. J Langer (Ger) 4hr 54min 482. J Langer (Ger) 4hr 54min 483. J Langer (Ger) 4hr 54min 484. J Langer (Ger) 4hr 54min 485. J Langer (Ger) 4hr 54min 486. J Langer (Ger) 4hr 54min 487. J Langer (Ger) 4hr 54min 488. J Langer (Ger) 4hr 54min 489. J Langer (Ger) 4hr 54min 490. J Langer (Ger) 4hr 54min 491. J Langer (Ger) 4hr 54min 492. J Langer (Ger) 4hr 54min 493. J Langer (Ger) 4hr 54min 494. J Langer (Ger) 4hr 54min 495. J Langer (Ger) 4hr 54min 496. J Langer (Ger) 4hr 54min 497. J Langer (Ger) 4hr 54min 498. J Langer (Ger) 4hr 54min 499. J Langer (Ger) 4hr 54min 500. J Langer (Ger) 4hr 54min 501. J Langer (Ger) 4hr 54min 502. J Langer (Ger) 4hr 54min 503. J Langer (Ger) 4hr 54min 504. J Langer (Ger) 4hr 54min 505. J Langer (Ger) 4hr 54min 506. J Langer (Ger) 4hr 54min 507. J Langer (Ger) 4hr 54min 508. J Langer (Ger) 4hr 54min 509. J Langer (Ger) 4hr 54min 510. J Langer (Ger) 4hr 54min 511. J Langer (Ger) 4hr 54min 512. J Langer (Ger) 4hr 54min 513. J Langer (Ger) 4hr 54min 514. J Langer (Ger) 4hr 54min 515. J Langer (Ger) 4hr 54min 516. J Langer (Ger) 4hr 54min 517. J Langer (Ger) 4hr 54min 518. J Langer (Ger) 4hr 54min 519. J Langer (Ger) 4hr 54min 520. J Langer (Ger) 4hr 54min 521. J Langer (Ger) 4hr 54min 522. J Langer (Ger) 4hr 54min 523. J Langer (Ger) 4hr 54min 524. J Langer (Ger) 4hr 54min 525. J Langer (Ger) 4hr 54min 526. J Langer (Ger) 4hr 54min 527. J Langer (Ger) 4hr 54min 528. J Langer (Ger) 4hr 54min 529. J Langer (Ger) 4hr 54min 530. J Langer (Ger) 4hr 54min 531. J Langer (Ger) 4hr 54min 532. J Langer (Ger) 4hr 54min 533. J Langer (Ger) 4hr 54min 534. J Langer (Ger) 4hr 54min 535. J Langer (Ger) 4hr 54min 536. J Langer (Ger) 4hr 54min 537. J Langer (Ger) 4hr 54min 538. J Langer (Ger) 4hr 54min 539. J Langer (Ger) 4hr 54min 540. J Langer (Ger) 4hr 54min 541. J Langer (Ger) 4hr 54min 542. J Langer (Ger) 4hr 54min 543. J L

Grand prix ambition
Derick Allsop on a father and son double act, page 22

sport

Real men at play
Keith Elliott on an unusual entrepreneur, page 22

England selectors stand by their team

Cricket

DEREK PRINGLE
Cricket Correspondent

The England selectors, keen to play their role in the psychological warfare in this Ashes series, have acted with unprecedented speed in naming an unchanged squad for the Headingley Test on 24 July, just 24 hours after losing the third Test. By keeping faith with those involved in the debacle at Old Trafford, the message to Australia is one of confidence and faith, sentiments

mostly lacking when England have lost in the past.

The chairman of selectors, David Graveney, and his co-selector Graham Gooch were at Old Trafford on Sunday, where they spoke to Mike Gatting by telephone. Having agreed on the same side plus Phil Tufnell, they felt it was in everyone's interest to announce it sooner rather than later. "We felt we needed to select the side as soon as possible," Graveney said yesterday. "As selectors we were keen to indicate confidence in the XI at Old Trafford."

Two of those involved in the build-up for the last Test, Devon Malcolm and Mike Smith, have been left out, though the selectors can still make changes should injury or conditions take them by surprise. However, the pair, along with Essex's Ashley Cowan and the Humber's brother, will join the squad for a two-day seminar prior to the Test.

The get-together, like the one during April, will once again involve Will Carling's company. Insights, who hope to obtain the services of the Lions coaches, Ian McGeechan and Jim Telfer, in

an attempt to refocus England's bid for the Ashes.

"There are lessons to be learnt from Old Trafford," Graveney continued. "The seminar is a good opportunity for us to assess things. At 1-1, we have a great chance to win the series and 'Bumble' [David Lloyd] in particular, wants to reaffirm how we want to win."

"The players realise that they are in the middle of a major scrap. But we have to remember how positively we played at Edgbaston. The side who wins this series will be the one that

bounces better off the ropes: Australia showed they could do it. Now we must."

If there is one wish, apart from winning the Ashes, that Michael Atherton has cherished above all since becoming captain - other than a gagging order on Raymond Illingworth - it is that continuity over team selection be observed.

Now that is happening, he must prove his merits. England may have been outclassed in Manchester, but by not making changes they clearly believe they have the players and the

game plan to beat Australia for a second time. However, as we saw, things do not always pan out as you expect and despite having by far the best conditions to bowl and bat in, as well as the right team to exploit them, England were roundly trounced.

When that happens, confidence can be totally flattened, though this brisk selection should at least serve to calm the apprehensions of those, like Andy Caddick and Mark Ealham, who might have felt their position coming under review.

Indeed, had the squad not

been announced until next Sunday, only Mark Butcher, John Crawley and the eight-wicket debutant Dean Headley could have slept soundly after England's glaring errors on the first two days at Old Trafford.

Moping after losing can be counter-productive at this time of the season and the selectorial speed will have helped to fulfill Atherton's desire for his players to return for the fourth Test "feeling mentally refreshed".

To the Australians, used to beating England and then watching them capitulate fur-

ther into disarray, the announcement will certainly have had some novelty value. It may not ruin their Scottish sojourn, but it will probably raise an eyebrow or two when the news finally reaches the golf course.

It may not be the reaction of a team overconcerned about their opponents, but then Pommie bravado has never much bothered them before.

ENGLAND SQUAD for fourth Test: M A Atherton (capt), M A Butcher, A J Shaw, M A Ealham, R D B Cook, D Gough, A R Caddick, D W Hoadley, P C R Tufnell. More cricket, page 23

Kendall's price is right for Rytter

Football
ALAN NIXON

Howard Kendall is poised to make Denmark's right-back, Thomas Rytter, his first signing after returning to Goodison Park as manager.

The defender is flying in to start a loan spell from Seville, who will let him go for around £1.5m after being relegated from the Spanish First Division.

Rytter, who plays his international football alongside the likes of Peter Schmeichel and Brian Laudrup, is keen to come to England and has also been watched by Tottenham.

He will play in the Dave Watson Testimonial next Wednesday, and then will play against the Scottish champions, Rangers, with the chance of clinching a permanent move and solving one of Kendall's problem positions.

Kendall is also hoping to extend the contract of his Scottish international striker Duncan Ferguson into the next century.

Steve Coppell, the Crystal

Palace manager, hopes to sign the Welsh international midfielder, Robbie Savage, from Crewe today. Savage is flying to London for talks about a £250,000 move into the Premier League from Crewe Alexandra, newcomers to the First Division.

Palace hope Savage could develop into a replacement for the Scottish international, David Hopkin, if he leaves for Leeds.

The Scottish Premier club, Hearts, also want Savage and can virtually guarantee the former Manchester United player first team football. The Tynecastle club Hearts have nipped in to sign the Austrian international Thomas Floegl after the 26-year-old winger had been on a week's trial with Dundee United.

Alex Rae's proposed £1m move from Sunderland to Crystal Palace has been put on hold by the London club. Rae passed a medical last week and agreed personal terms, but Palace have yet to finalise a deal for the 27-year-old Scottish B international midfielder.

Chelsea have agreed a £300,000 fee with SK Brann to

enable them to secure the Norwegian international striker, Tore Andre Flo, in time to be registered for the start of their European Cup-winners' Cup campaign. The 6ft 2in 24-year-old forward, who scored twice in Norway's recent 4-2 victory over Brazil, could have gone to Stamford Bridge on a free transfer, but Chelsea would have had to have waited for his contract in Norway to expire at the end of October.

Chris Waddle and Glenn Roeder, Burnley's new managerial team, have their sights on winning promotion at the first attempt. Waddle and Roeder, one-time playing colleagues at Newcastle, set out their plan after agreeing three-year deals in succession to Adrian Heath who quit the Burnley job two weeks ago to become assistant to Howard Kendall at Everton.

"We're going for promotion straight off and while nothing is for sure we will give it a real go," Waddle said. "If we fail it won't be because we haven't made the effort or been fully committed."

More football, page 23



Frankie Dettori drives Shamout to victory over Swain (on the rails) in the Princess of Wales's Stakes at Newmarket yesterday. Photograph: Robert Hallam

Cecil shows signs of strain

Racing

GREG WOOD
reports from Newmarket

The births column of the local newspaper here could make interesting reading this week. "CECIL", the entry might begin. "To Henry Richard Amherst, the most successful trainer of the last 20 years, at the July course on Tuesday: a fit, healthy persecution complex, which is growing by the week."

That, at least, was the strong impression here yesterday as Cecil, whose natural attitude lies somewhere between placid and comatose, offered evidence that after 28 years at the top of his profession, he has suddenly started to feel the pressure.

A fortnight ago, after Royal Ascot, Cecil accused Michael Knapman, probably the finest jockey in Europe, of "sabotaging" two of his runners at the meeting. Then, on Saturday, he watched in despair as Bosra Sham, the best middle-distance horse in Europe and a particular favourite of the trainer, finished third in the Eclipse Stakes. Cecil later described the riding tactics of Kieren Fallon, his stable jockey, as "appalling", which was a fair assessment - Fallon allowed himself to be boxed in and then attempted to force his way through a gap which only he



Kieren Fallon in the winners' enclosure at Newmarket yesterday after his victory in the first race on Craigsteel, trained by Henry Cecil (left). Photograph: Robert Hallam

could see - but one which he would not normally have been expected to make public.

Yesterday morning, Cecil confirmed in a statement to the Press Association that Fallon will no longer ride either Bosra Sham or Lady Carla, the 1996 Oaks winner. Both are owned by Wafic Said, the Syrian businessman, whose own opinion of Fallon's performance on Saturday is believed to be unprintable (even in Syrian). "I have de-

ided," the statement said, "having talked to connections and in the best interests of the filles that Kieren Fallon will be replaced in their future races."

Trainer and jockey made a more positive start to the afternoon, as Craigsteel ran away with the maiden which opened the Newmarket card (there was, incidentally, little chance of Fallon finding himself boxed in, as he led throughout the race). Afterwards, though, there

was little sign that Cecil's mood had improved.

Asked to elaborate on his statement, Cecil instead delivered what was, by his normal taciturn standards, a rant. "Have you read it?" he snapped at an unfortunate reporter from the *Sporting Life*. "It should be clear what it says, and if it isn't, then you must be stupid. I'm sick of all the rubbish that's been printed about me. Just leave me alone."

The association between

Cecil, the foppish, upper-class gent, and Fallon, who arrived at Warren Place stables with a rough-house reputation born of countless run-ins with the authorities, was always one of the turf's more unlikely professional marriages. Fallon's most famous red-mist moment came after a race at Beverley in 1994, when a long-standing feud with another rider, Stuart Webster, culminated in Fallon hauling Webster from his saddle, watched by astonished punters in betting shops throughout Britain. Fallon was banned from riding for six months as a result.

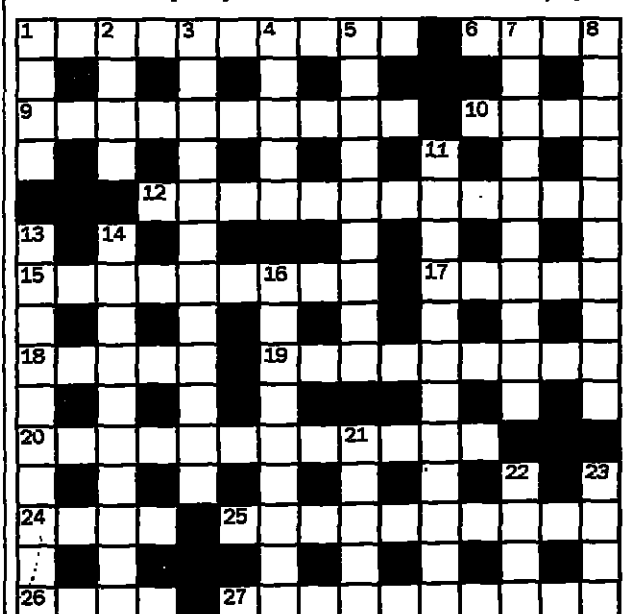
"There's no strain on my half [of the partnership]," Fallon said after his success on Craigsteel yesterday. "Obviously Mr Cecil probably isn't as confident now as he was going into the Eclipse, but we'll hope to change that before the end of the year." If Fallon remains optimistic, however, the nervous, irritable expression on his employer's face implied that at present he does not share the jockey's outlook on life. Craigsteel's race was a maiden which often pinpoints a major contender for the following season's Classics, and the colt is now a 20-1 chance with the bookmakers to win the 1998 2,000 Guineas. The odds that he will do so with Kieren Fallon in his saddle, however, are at least 10 times larger.

THE INDEPENDENT CROSSWORD

No. 3346. Wednesday 9 July

By Aquila

Yesterday's Solution



U N D E R
A P R E S S I K I A C E T I C
S E O C G R S
T H R U M A B O V E P A R
R A V E N D O A G E
T R A V E L O P A S S E N G E
A A I G O
M O U S E R C H I N I C
D N A O A
C H R I S T O P H E R A W E R S
A V A C I
A R I S T I T I E E N R O L
B I T A I L I N
B O I L E R O B I V I O N
N E R R E N

- ACROSS**
- Sound amplifiers among sheep, straying (10)
 - City doctor, easily deceived sort of fellow (4)
 - Hearty among capable hands? (4-6)
 - Princess of Tyre accomplished nothing (4)
 - Like a very old tiger, had beetroot cooked (5-7)
 - Can such a plate be lucky for the owner? (9)
 - Devotion of transcendental number, yet to convert (5)
 - Direct attention to hot-rod, say (5)
 - Phobos, for example, disclose it in a return-envelope? (9)

- Describing the pressure revealed after some lobby-tapping? (12)
- Send forth from semi-tropical interior (4)
- Tail, thin person to hang head (6-4)
- Benefit of Spaniard's last cry of acclaim (4)
- Without society tutors are failing to create a popular course (5,5)

- DOWN**
- Scruffy attendant carrying note (4)
 - Rook an aquatic bird? (4)
 - Frank cancels R.Hill's invention! (7,5)
 - Delighted to be broadcasting (2,3)

- Making Bill work in the house? (9)
- I'm chattier, in a way, working with numbers (10)
- ABO, say, in family strains? (5,5)
- Double vision (12)
- Loa, say these petticoat-tails (10)
- Legendary according to Maxim, we hear (10)
- He is, in 14's way, lost! (9)
- I competed, surrounded by climbers on a wall (5)
- Bishop on Vichy water, perhaps, is such a dandy (4)
- Unrepeatable, this introduction to fairy-tale (4)

NatWest Trophy: seconds out, round 2.

The sixteen teams left standing continue the knockout fight for the NatWest Trophy today. No 'tampering' or 'sledding' and may the best men win.

NatWest
More than just a bank

NatWest Bank Plc, Registered Office: 41 Leadenhall Street, London EC3A 3BP. Registered in England No 920027.

سكزا من الامم